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NEWS SUMMARY

GENERAL

South Africa race clashes

South Africau police clashed with demonstrating black workers and children following the most serious unrest in the black community since the township riots of 1976 and 1977.

Teargas was used to disperse crowds in Batho, near Bloemfontein, after a night of stone-throwing and arson.

In Eastern Cape Province, 130 children were arrested after marching to a police station to demand the release of detained students. Back Page

South Korea talks

Two divisions of troops ringed the South Korean city of Kwangju as talks continued on terms for ending battles between the city and the martial law authorities. Page 2

Bomb deaths

Six people died aod 40 were wounded when two time-bombs exploded in Dacca io an apparent assassination ottempt on fnrmer Bangladesh President Khandoker Musbtaq Ahmed.

Rocket explodes

Western Europe's Ariane booster rocket exploded shortly after take-off on the second of four planned test flights from a base io French Guyana. Page 2

Home sales fall

Growing numbers of new and secondhand homes are remaining oo estate agents' books for long periods, and the market is at its least active for two years. Back Page

Flights hit

Luton airport flights are likely to be further disrupted this weekend because of industrial action by some staff over the suspension of three of their colleagues. Page 4

Lebanon shelling

Rightist militias in Lebanon's southern Norder strip shelled the centre of Sidon, killing four people and wounding 12.

Settlements plan

Israel plans tn build six Jewish settlements in the occupied Gaza strip tn serve ss a buffer between the strip and Egypt. Page 2

Sadat boost

Egypt's President Ssdat won backing from almost 99 per cent of voters in o referendum nn constitutional changes allowing him to stay in nffice indefinitely. Turnout was 87 per cent.

Drugs probe

Scottish police were investigating alleged possessinn of cannabis at Gordonstnun School after the expulsinn of nine pupils.

Salvador violence

At least 24 penple died in a day nf violence in San Salvador and eastern El Salvsdnr.

Damages award

Actress Dorothy Tutin was awarded damages of £6,525 in the High Court for back injuries suffered when she was thrown from o comel during a charity race.

Briefly . . .

Death toll after the Mount St. Helens eruption reached 32.

Family of four died in a house fire at Poole, Dorset.

PUBLISHER'S NOTICE

The Financial Times will not be published ou Monday, May 26

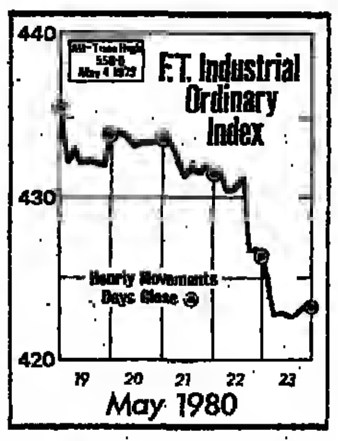
BUSINESS

Gold up $12; £ gains 1.6c

● GOLD rose $12 an ounce in London to close at $512.5, a fall on the week of $2.5.

● STERLING continned tn rise, touching its best level against the dollar since April 1975. It closed at $2.3450, o rise of 1.6c on the day and 6.1c on the week. Its *trade-weighted index* was 74.3 (74.9). DOLLAR finished near its worst level of the day, slipping to DM 1.7785 (DM 1.7890). Its trade weighted index fell from 84.5 to 84.1.

● EQUITIES were dull overall. The FT 30-share index gave up 3.2 to close at 423.3, a fall oo the week of 12.4.



● GILTS: demand picked up, spearheaded by foreign investors. Long dated stocks rose up to 1¼ and short term issues gained up to ⅜. The Government Securities index closed at 68.08 (67.54).

● WALL STREET was up 10.41 at 853.33 near the close.

● NEB says it will sell its 50 per cent holding in Ferranti, the electronics group, "as soon as practicable" after the group's 1979-80 results are announced in June. Page 15

● JAPANESE trading houses are showing sharp recoveries in sales and profits forthe year ended March 31, boosted by the depreciated yen. Page 21; Back Page

● SOUTH WEST Consolidated Minerals, the Dundonian subsidiary with tin and tungsten mining prospects in Cornwall aod Devon, is to nffer its share tn the public next month. Page 16 and Back Page

● ISLE OF GRAIN loggers have beeo called to a meeting next Wednesday by Len Murray, TUC generol secretary, in an attempt tn resolve the inter-union dispute at the power statinn there. Back Page

● LONDON CO-OP Society, the second largest retail co-operative in the UK, has made a loss of almost £2m fnr the second year running. The merits nf thinking big Page 3

● THISTLE FIELD oil pipeline repoirs bave been completed at an estimated cost of £4m. Page 3

● LADBROKE Group hos agreed to sell Cesar's Palace Casinn in Luton to Lonrho fnr £2.25m cash. Page 4

● MERIDEN co-operative expects to conclude a £3m deal with the Nigerian navy and air force fnr up to 1,800 Triumph motnr-cycles. Page 3

● INFLATION in the European Community for April was 14.8 per cent higher than in the same month last year, the EEC Statistics Office said.

COMPANIES

● TALBOT, car manufacturer, onnounced s £41.142m loss for 1979. Page 16

● HOMFRAY and Co., carpet manufacturer, reported losses coosiderably greater than expected for the six months to March 29, 1980, with a deficit of £2.48m compared with a £230,000 profit. Page 16

● HIELD BROTHERS, worsted cloth-making group, reported o pre-tax deficit of £606,000 for the year ended March 31, compared with profits of £342,000. Page 16

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Excheq. 13¼pc '83...£98¼	+	¼
Treas. 15¼pc '98...£109¼	+	1¼
Fodens	38 +	3
Hay's Wharf	162 +	6
Highland Distills.	133 +	5
House Prop. London	280 +	15
Ladbroke	162 +	4
Peters Stores	70 +	8
Polly Peck	57 +	10
Seccombe Marshall and Campion	240 +	20
Union Discount	447 +	17
Candecca	140 +	8
Leichardt Expln.	270 +	40
Otter Expln.	74 +	8
Samantha Expln.	74 +	6
FALLS		
Babcock Intnl.	83 −	5
Berkeley Hambro	206 −	8
Bridon	51 −	6
GEC	357 −	8
GKN	236 −	6
Hill Samuel	94 −	5
ICL	131 −	6
Lucas Inds.	202 −	4
McKechnie Bros.	91 −	6
Press (Wm.)	23½ −	2¼
Racal Elect.	236 −	8
Sothebys	485 −	15

Doubt cast on plans to start microchip industry in Britain

BY GUY DE JONQUIERES

Britain's plans for launching her own microelectronics industry have been thrown into deeper uncertainty by emergence of fresh doubts about the future of the two major chip-manufacturing projects.

Fairchild, the U.S. semiconductor manufscturer, hos caused anxiety at General Electric Company by telling the British group that it may have difficulties providing the technology needed to make integrated circuits at the two companies' joint plant at Neston, Cheshire.

Inmos, a subsidiary of the National Enterprise Board, has told the Government that it can wait no longer than the end of June for o decision on its request for a further £25m which it needs to finance construction of a factory.

The reqnest has been before the Government for nearly six months. If it is vetoed, or subjected to more delays, the company moy consider abandoning its plons to manufacture microchips in Britain.

Fairchild is understood to have sent GEC a detailed report this week describing its work to date on the development of metal oxide silicon technology at its California headquarters and expressing doubts as to whether it can be delivered in time.

GEC appears to have been surprised and baffled by the report which, it believes, does not provide o satisfactory explanation of the difficulties which Fairchild claims to face.

It has arranged a high-level meeting with Fairchild's management next omnth, when it will press for more information and an assessment of possible delays ohead.

GEC is expected to remind the U.S. company forcefully that it has already been paid for the pcomised technology as part of an agreement under which GEC undertook tn finance most of the cost of building the Neston plant in exchange for Fairchild's knowhow.

The two partners agreed to invest a total of £10m in the operation, the Government putting up a further £7m in grants. Construction of the factory bas been largely completed, and it is due to start production later this year, with full production in mid-1981.

Since the project was launched in mid-1978, Fairchild has been taken over hy Schlumberger, the French oil services company. Schlumberger bas given no public indication of its view of the operation.

Inmos's chances of finding alternative sources of fuods from the City or British industry should the Government reject its request for a second £25m funding tranche appear slight.

GEC has looked closely at Inmos activities in the past few weeks, but has made cleor that it is not interested in taking a stake in the company.

Inmos believes that, if its activities in Britain had to he abandooed it would still stand a good chance of manufacturing chips profitably at its plants in Colorado, U.S.

The bulk of the first £25m provided hy the British Government has been invested in these operations, and Inmos is confideot that private backing for them could he found in the U.S. if necessary.

The company has already produced in the U.S. sample quantities of 16-K memory chips, which it believes technologically more advanced than anything else on the market. It plans to start prodncing them io volume next autumn, and begin manufacturing more powerful 64-K chips the following spring.

Inmos has not yet given up all bope that the Government will approve its next funding request.

Charterhouse in £43m bid for Keyser Ullmann

BY JOHN MOORE

THE CHARTERHOUSE Group, the investment and banking company with large industrial interests, yesterday unveiled a £43m takeover bid for Keyser Ullmann, the merchant bank. The board of Keyser Ullman has accepted the nffer.

Under the terms of the deal, Charterhouse is issuing one new Ordinary ahare fnr each share of Keyser Ullmann. Charterhouse will have to issue 51.4m Ordinary shares to complete the deal, and the shares issued will represent 34 per cent nf the enlarged capital.

Once the deal is completed and Keyser Ullmann is integrsted with Chorterhouse's hsnk, Charterhouse Japhet, the name of "Keyser Ullmann" is to be dcopped.

Mr. Derek Wilde, Keyser's chairman who is joining the main hosrd nf Charterhouse said yesterday: "There bave been some bsd years snd bad publicity. Unhappily that publicity has had some effect nn the business of Keyser."

Keyser Ullmann was one of the City banks kept afloat by the banking "lifeboat" organised by the Bank of England after the secondary banking crisis of 1973. Keyser's large involvement in the property market which crashed in the early seventies caused large losses and write offs amounting to £61m in the 1975 accounts.

Mr. Wilde—a former vice-chairman of Barclays Bank who took nver the chairmanship of the company from Mr. Edward dn Cann, Conservative MP for Tsunton, in 1975—has been attempting to restore the bank's fortunes.

As yesterday's deal was announced Keyser revealed that its group pre-tax profits for the year ending March 1980 were £4.35m compared with £3.1m previously.

Mr. Nigel Mobbs, Charterhouse's chairman, said yesterday that it was the group's intention, under a separate deal, to float nff a large part of its own oil exploration and productinn company through a public offer. Charterhouse is expected to retain a large interest in the company, possibly between 40 ando 50 per cent. The deal may raise £30m or even more for the oil company.

Shares nf both Keyser and Charterhouse were suspended on Thursday, ahead of the announcement, at 70p and 84p respectively, valuing the two groups at £36m and £82.5m. Listings nf both group's shares are tn be restored on Tuesday.

Prudential Assurance Compony, which holds 17 per cent nf Keyser's shares, is accepting the offer.

The move by Charterhouse marks another upheaval in the U.K. merchant banking sector. Hongkong and Shanghai Bank has taken over Antony Gibbs; C. T. Bowring is planning to dispose nf *Singer and Friedlander*, its merchant banking subsidiary. Hill Samuel has been in talks with Merrill Lynch, a leading U.S. broking and investment house. The Hill Samuel talks were terminated six weeks ago without reaching a formal stage.

Keyser Ullmann results, Page 16

Further blow to Olympic boycott

BY CHRIS SHERWELL

THE CAMPAIGN led by the U.S. for a boycott of the 1980 Olympic Games this summer enters a new phase today when the deadline expires for countries to accept formally their invitations to Moscow.

Australia and Spain yesterday joined the lengthening list of countries with significant sporting strength whose Olympic committees have rejected government appesls and opted to go to Moscow. The Australian Olympic Federation executive committee divided 6-5, and incurred for this verdict the wrath of Mr. Malcolm Fraser, the Prime Minister.

In the past few doys committees in Italy, Belgium, Ireland and the Netherlsnds have also joined France and decided to attend the Games. The U.S. and West German committees, on the other hand, eventually backed their Gnvernments' line. Apart from West Germany, the only West Eucopean conntries wbich will not now take port in the Games are Norway, Monaco ond Liechtenstein.

By last night, several countries, notahly Japan, had still tn make their minds up, and final figures are nnt expected until next week from the Olympic Organising Committee in Moscow. However, some 60 conntries are expected not to go tn the games including about a dozen which cannot affnrd to or have no athletes good enough.

On Thursday the U.S. State Department declared that at least 60 countries had joined the boycott. Yesterday, however, an officiol nf the Moscow Organising Committee said only three negative replies to invitatinns had *so far been received.*

The relentless pressure from leading governments supporting a hoycott is expected to continue until the Games begin in just under two months' time since many teams have yet tn be selected. Notional Olympic committees which have defied their gnvernments (like *Britain's*) may *still be asked to* submit hlank entrants' lists.

The hoycott campaign, hegan in January as a protest against the Soviet Christmas invasion of Afghanistan, has created strains between and within governments, divided international and national sports bodies and upset athletes

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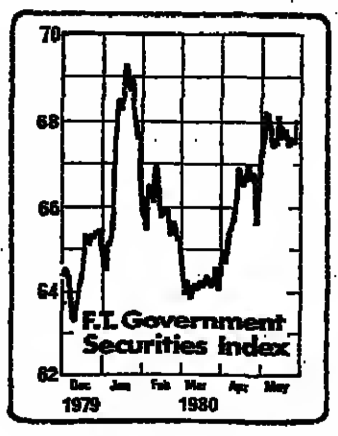

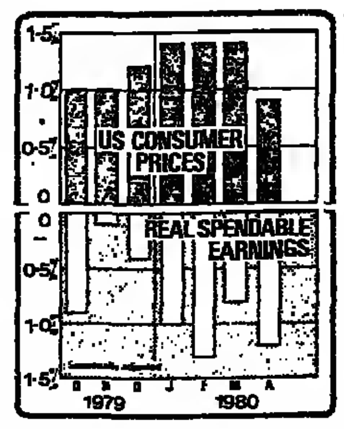

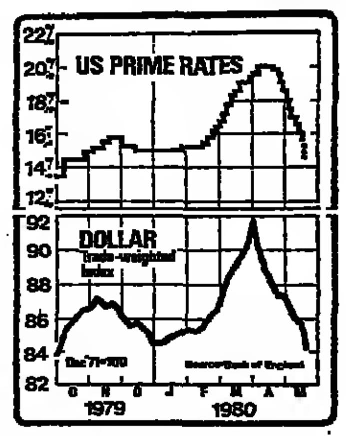

Increased demand for gilts

By David Marsh

DEMAND FOR gilt-edged stock picked up again yesterday. For the first time this week, the Government broker made sales to the market nf the 13¾ per cent tap stock issued at the beginning of this month. And the Bank of England announced that an issue of low coupon stock specially aimed at high income tax payers will go nn sale next week.

In spite of some foreign demond set off by the strength of sterling, the gilt-edged market has been sluggish for most of the past few days. This was mainly a result of repeated remarks hy Ministers ruling out an early cut in interest rates.

But general buying resurfaced yesterday, again spearheaded hy foreign investors. Long-dated stocks rose up tn 1¼, their best performance for several weeks, while short term issues rose up to ⅜.

The £1bn nominal 13¾ per cent Exchequer 1992 issue, which received only o muted reaction from the market when it came out, two weeks ago, rose by ⅛ during the day. Dealers estimated thot the Government broker made sales of at least £100m.

The new issue announced yesterday was for £600m nominal of 3 per cent Exchequer 1985. It is being offered by tender in o fully paid form with a minimum tender price of £69 per cent. Tenders must be lodged at the Bank of England by Thursday mnrning.

The stock offers a running yield of 4.35 per cent and a pre-tax yield to redemptinn of 11.31 per cent. It is designed for high tax payers whn wnuld receive comparatively little after-tax yield fcom high coupon stocks but whn make capital gains from the lnw issue price low coupon issues by bolding them until the price moves up towards redemption at 100 per cent.

Lex, Back Page.

U.S. inflation rate eases

BY JUREK MARTIN, U.S. EDITOR IN WASHINGTON

THE RATE of inflation in the U.S. eased markedly last month, leading a seninr Government official to suggest that "the almost hysterical fear" about rising prices had been stemmed.

The smaller advance in the consumer price index may also explain why the Federal Reserve Board decided nn Thursday to cushion the economy against too deep a recession by partly dismantling the credit controls it introdnced as recently as March—thus running some risk of ioflation.

In April the index rnse by 0.9 per cent seasonally adjusted. In each of the first three months of this year it rose 1.4 par cent. This means thot in the three months ending in April consumer prices rose at o compound annual rate of 15.9 per cent, and in the last 12 mooths by 14.7 per cent.

The abatement was principally due to smaller increases in the price of food and fuel. The food component rose by 0.5 per cent, balf the rate of March, though faster than in January and February. The *transport* index, covering petrol and oil, cose 0.6 per cent, one third the increase of March and only a fifth of tbat recorded in the first two months.

The consumer price index would have risen even less but for the continued high cost of housing. This month's sharp *decline in interest rates could*—if internatioool monetary circumstances permit—lead tn relief from inflation in housing as the summer unfolds.

But in April, with interest rates still near their peak, the housing index rose 1.3 per cent, only a fractionally better than in the first three months.

Nevertheless, Mr. Alfred Kahn, President Jimmy Carter's adviser on inflation, told Congres yesterdoy he was relieved "that we're moving out of double-digit rates, showing that we've stopped or even reversed the olmost hysterical fear of inflation." But he wacoed against reading too much into a single month's figures and said the underlying causes of inflation had not been rooted out.

Editorial comment, Page 14

Prime down to 14½%

BY STEWART FLEMING IN NEW YORK

U.S. interest rates continued their sharp decline yesterday in response to the further easing of the Federal Reserve Board's credit restaint programme.

The dollar reacted on the foreign exchanges by losing *further* ground *against* sterling, the yen and majnr Continental currencies in spite of some centrsl bank intervention.

Citibank of New York yesterday led the way in rednciug interest rates by cutting its prime lending rate a full two points from 16½ per cent to 14½ per ceot, half a percentage point below the 15 per cent rate Chemical Bank bad posted oo Thursday.

The latest prime rate cut followed a White House call for hanks to lower their lending fees in the wake of the Fed's moves.

In the money markets short-term rates drifted lower. Three month Treasury bills fell to around 7.60 per cent from 7.90 per cent on Thursday.

The Fed's decision partially tn *dismantle its March* credit restraint package, signallling its willingness to accommodate the remarkably swift decline in U.S. interest rates over the past six weeks, clearly unsettled the foreign exchange markets.

PTheetaoinshrd up upetoinn nn

Sterling closed 1.6 cents higher in London at $2.3450, its bighest level against the dnllar since April 1975 and more than 6 cents higher than a week ogo. Its trade-weighted index was also higher at 74.3 against 74.0 on Thursday.

Continued on Back Page

OVERSEAS NEWS

South Korean city ringed by two divisions

BY CHARLES SMITH IN SEOUL

TWO DIVISIONS of troops ringed the Sonth Korean city of Kwangjn yesterday as negotiations continued on the terms for ending the virtual state of war between the city and the martial law authorities.

The negotiations follow three days of street fighting during whicb pnblic buildings were taken over and set on fire and large numbers of weapons were seized by an estimated 200,000 workers and students.

Bodies still lie in the streets, and at least 50 people were killed. The censored Korean Press has been unable to print casualty figures although other details of the violence bave been available.

Kwangju, with a population of 800,000, is the fourth largest city in Korea and the capital of Cholla province, birthplace of the opposition leader, Mr. Kim Dae Jung. Mr. Kim's arrest last week on cbarges of instigating a nationwide uprising, provoked street demonstrations in the city. These degenerated into open conflict, with bayonet-carrying paratroopers sent in to restore order amid public accusations of army brutality. By Wednesday, armed civilians ruled the city, with the troops beseiged in their military beadquarters. Helicopters were sent in to airlift them out of the city, and a "steel ring" was thrown around its perimeter

People are being allowed out of the city after rigorous security checks but the numbers leaving are thought to be small. The population has been warned that people carrying arms will be shot on sight if and wben Government troops move in.

The turmoil in Kwangju contrasts with relative calm in Seoul, Pusan and other major cities.

The figbting bas escalated because students and other anti-government groups were able to raid local militial arsenals and equip themselves with rifles and machine-guns.

A committee of Kwangju citizens, presided over by a bisbop, yesterday negotiated with Martial Law Command on the terms of a peace settlement. The committee is believed to be more moderate than an earlier group whicb began by insisting that General Cbun doo-Hwan, the cbief of the military security command, sbould resign.

Our Foreign Staff adds: North Korea's official news agency said yesterday that the country had no intention of intervening in the internal affairs of South Korea.

Israel to build six Jewish settlements in Gaza Strip

BY DAVID LENNON IN TEL AVIV

ISRAEL IS planning to build six new Jewish settlements in the occupied Gaza Strip to serve as a buffer between the Strip and Egypt, and to strengthen its bold over the area.

Work started this week on one of the new settlements, whicb is close to the six settlements built earlier in the Strip. To build them, Israel will take over 3,000 acres of public and privately owned land.

Tbe decision to eslablisb the settlemenls was given greater urgency by the possibility that the planned antonomy for the occupied territories may be implemented in Gaza first.

Mr. Rasbad al-Shawa, the mayor of Gaza, yesterday described the decision as "an absolute shame."

Renter adds from Cairo: An overwbelming majority of Egyptian voters endorsed constitutional changes yesterday, making it possible for President Anwar Sadat to remain in office indefinitely. Mr. Nabawi Ismail, the Deputy Prime Minister and Inlerior Minister, said 98.96 per cent of voters bad approved the changes in the referendum. The turn-out was 86.95 per cent of the 12.3m registered voters.

EEC lifts restriction on fresh butter sales

By Margaret Van Hattem in Brussels

EEC trades will be able to resume sales of fresh butter to Comecon countries at highly subsidised prices following the lifting of Community restrictions yesterday.

The European Commission announced it had abolished its four-month-old tender system which was introduced, under pressure from the British Government, to restrict Comecon countries to buying butter which had been in storage for more than two years, rather than fresh hutter.

Commission officials pointed ont that, following the sale of 20,000 tonnes of old butter to the USSR earlier this month, the Community's remaining 300,000 tonne stockpile was all less than 18 months old. Until that sale, not a single bid was received under the tender system and the Commission has been under pressure from bntter exporting countries such as Ireland, to remove the restriction.

More significantly, the Commission suspects that like most trade restrictions, the ban on fresh bntter may have been circumvented and that packaged butter, which because of lower sales volume was not subject to the same close scrutiny as bulk butter, may have been reaching the USSR via North African ports.

Consequently, it bas tightened the rules on sales of packaged butter: 15 per cent of the export subsidy will be withheld until the exporter presents a certificate proving that the butter has been supplied to retailers in the importing countries.

Cost of frozen fish imports to increase

By Walter Ellis in Strasbourg

THE European Commission has acted to increase the cost of frozen fish imports from outside the EEC by between 6 per cent and 25 per cent. It bas also asked the Council of Ministers to apply the maximum 15 per cent import tariff on a number of important white fisb species, includiug cod and haddock, from July 1.

The leader of a UK fisbermen's delegation from Peterbead said yesterday that it bad been the best news for the industry be bad heard in years. However, Mr. James Provan, a British Conservative member of the European Parliament, said that the Commission's measures were welcome bnt that more needed to be done to stem the current high level of fish imports.

Commissioner Richard Bnrke told the Parliament that although there had been a snbstantial increase in tbe level of Community fisb imports at the beginning of the year, the market had since become firmer and this stabilising trend was continuing.

In Britain, Mr. Burke said, imports from non-Community conntries in Jannary and February bad reacbed 25,000 tonnes compared with 15,000 tonnes in the same period of 1979. The strength of sterling had been a major cause of the rise especially as the U.S. market bad become steadily less attractive. Bnt Community exports had also risen and there was bope that greater equilibrium was being established.

Yesterday's decision by the Commission means a 10 per cent average increase in the reference (minimum imports) price of frozen fillets of fish and 20 per cent for frozen whole fish.

Despite crime, unemployment and housing problems, some Iranians carry on spending

Free enterprise follows the rich revolution

BY ANDREW WHITLEY IN TEHRAN

THE YOUNG university graduate and his friends, all educated in the West and all jobless since the February 1979 revolution, parked their car at the side of one of Tehran's main streets and unloaded their wares: cartons of detergent for automatic washing machines and bottles of bleach. They did not have long to wait for customers.

Downtown in the central police station, Colonel Ahmed Taheri, chief of the CID, was complaining about the spiralling crime rate. Car thefts are up from 600 a month before the revolution to 1,100, housebreaking bas trebled; armed robberies of banks and shops are an almost daily occurrence.

These are two facets of life in a capital city swollen over the past year by an estimated 1.5m migrants from the countryside to 6m, overwhelming the authorities' attempts to provide bousing, work and services. The shanty towns on the city's fringes and on patches of waste land, lambasted by Khomeini's people as symbols of the neglectful class-orientated nature of the Shah's economic system, are mnch worse than before.

But, superficially, the remarkable fact is not so much the strains and problems as the undeniable evidence of how well Tehran's inhabitants are still able to manage considering that they bave already lived through 20 months of turmoil and economic semi-paralysis—belt-tightening dating back to the time when the anti-Shah movement began to gather steam.

Part of the answer lies in the argument that this was the world's first "rich revolution" and that the inheritors of the state have until now been able to use oil revenues to cushion Iranians from the realities of life.

Government policy of keeping as many employees as possible on the payroll has helped. In this year's national budget an astonishingly high 90 per cent of current expenditure is earmarked as salaries for civil servants, the armed forces and workers in the many factories and organisations taken over by the state.

That works out at £10bn—nearly double what pessimists fear Iran will earn this year from oil, based on exports in the first five months.

For the moment many upper class Iranians still have money in their pockets even if it is much less than before—and what they heve they are spending freely. The severe controls on foreign exchange transfers and on foreign travel mean that the large amount of private wealth which used to be spent in Europe and the U.S. is kept at bome.

Pizza parlours and boutiques with exhorbitantly expensive smuggled clothes are enjoying the kind of boom which would almost make one think there had never been a revolution, let alone one directed as much against Western influences as against the Shah. How long it will last is another matter, but for the moment those Iranians with money are too sick of worrying about the present to think about tomorrow.

By the official count, measured by those who register at the Labour Ministry's employment bureaux, there are only about 500,000 out of work in the country. Most of those are labourers in the construction sector. The true unemployment figure is undoubtedly several times larger. benefits are very limited in amount and scope so most people do not bother to register. Instead they rely on their families where at least one member will have a job.

Mehdi drives a pick-up van around South Tehran, cruising casually for business. He bas been out of work for nine months and bas little hope of another full-time job.

His main complaint is about fast-rising prices, especially for food. Latest Government statistics show a 33.6 per cent rise in the wholesale price index over the past year. Food has gone up on average by 42 per cent with fresh vegetables, fruit, nuts and meat costing almost donble.

For the Government, an ominous trend is that land prices and rents are climbing again. After the revolution, property values in the poorer parts of the city remained stable while those in fashionable North Tehran slumped. Now they are up again — 30 per cent in the past two months alone, according to Press reports.

For a small but growing number the answer is to squat, take over an empty apartment or a piece of vacant land and build your own little bouse. Soutb of Pirouzi (Victory) Avenue, where the asphalt road runs out, small brick houses are mushrooming all over, cheek by jowl with the tents of the gypsies who bave moved in from the Hamadan region in the west. They have fished six bodies out of the small river in recent months. As one woman said: "We are all our own policemen bere."

A NEW attempt to secure the release of the U.S. hostages held in Iran is being mounted by the Socialist International, according to reports yesterday. Sr. Felipe Gonzalez, Spanish Socialist Party leader, Mr. Olaf Palme, leader of the Swedish Social Democrat Party, and Bruno Kreisky, Austria's Chancellor, are to fly to Tehran today to begin negotiations, it was reported in Madrid and Stockholm.

Brazil may 'burn' $4bn of reserves

BY DIANA SMITH IN BRASILIA

BRAZIL COULD drain up to $4bn from its foreign exchange reserves by the end of 1980, Sr. Ernane Galveas, the Finance Minister, bas revealed.

Answering questions about the state of the reserves, Sr. Galveas said: "We intend to work with them so that at the end of the year we may burn between $2bn and $3bn. It will be a matter of convenience of monetary policy but, as long as we are prepared to burn part of our reserves, I think we could accept a drain of $2bn, $3bn or even $4bn."

Sr. Galveas admitted that $3bn bad already been "bnrned," since Brazil bad stayed out of the foreign market for three months. He added that $4bn in new loans bad been contracted, and repeated previous assertions that Brazil would require a total of $12bn in 1980. Sr. Galveas said that the authorities would hold enough reserves to cover three months' imports.

He also revealed that the January-April trade deficit rose to $1.8bn with a $500m deficit for the month of April.

Tight monetary policies aimed at reducing inflation are being executed with difficulty, the Minister said. Money supply expanded by 76.6 per cent from April 1979 to April 1980, which he said was due to the impact of oil prices, last year's poor crops and inflation-pegged wage policy.

With published inflation figures for the first four months at over 23 per cent—and persistent suggestions that the real rate may be considerably higher—it seems clear that the target set by Sr. Antonio Delfim Netto, the Planning Minister, of no more than 50 per cent inflation for 1980, cannot be achieved.

European rocket test ends in fiasco

By Terry Dodsworth in Paris

THE SECOND test flight of the West European Ariane booster rocket ended in disaster yesterday when it exploded shortly after takeoff from Kourou space centre in French Guiana.

A fault in one of the four first-stage engines sent the rocket off course before it broke up and plummeted into the sea. Ariane was carrying two satellites.

The first launch, just before Christmas, also ran into several problems, and a compnter fault twice stopped the countdawn yesterday. Two more test launches are planned to get the rocket prepared for its task of launching telecommnnications satellites into orbit.

The break-up of the rocket comes as a severe setback to European plans for an alternative to American satellite launchers. The 10 European countries which are shareholders in the European Space Agency, the organisation behind Ariane, bope to win overseas orders.

French unions protest at health changes

BY TERRY DODSWORTH IN PARIS

THE TWO largest French trade unions, the Communist-led CGT and the left-wing CFDT, patched up their political differences yesterday to collaborate in a series of demonstrations directed against changes in the social security system.

The countrywide action coincided with strikes at Electricité de France, the electricity utility, whicb led to power cuts throughout the morning.

These stoppages, though called mainly to protest against new regulations restricting the right to strike in nnclear power stations were carefully orchestrated by the unions to lend additional weight to the demonstrations.

Both the CGT and the CFDT, along with the FEN, the teachers' union, are agreed on their opposition to the changes in social security charges, designed to stem the rapidly rising expenditure on the system.

The CGT, bowever, would like to widen this action into a generalised protest against the Government's austerity policies, while the CFDT believes the unions should limit their opposition to specific issues.

A similar day of combined action ten days ago has led to indications that there may be some changes to one of the key Government proposals aimed at restricting the support for health expenditure given by insurance bodies.

Prospect of power for Obote in the ruins of Uganda

BY MICHAEL HOLMAN, RECENTLY IN KAMPALA

"PLEASE AVOID this place. The structure above may collapse at any time." The warning, attacbed to a section of the multi-storey Uganda Commercial Bank on Kampala's busy main street, is ignored.

Cars park below it and pedestrians pass along the pavement, oblivious to the cracks in the wall whicb could bring tons of coocrete cladding crashing down. Uganda's political structure, after the eigbt-year dictatorship of Idi Amin, a liberation war, the ousting of two post-Amin Governments within a year, and six cabinet reshuffles seems no more secure.

The coup of a fortnight ago brought to power a six-man Military Commission under the cbairmanship of Mr. Paul Mwanga, a Minister in the Cabinet of tbe ousted President, Godfrey Binaisa. It is attempting to bring order to a country wbose economy remains in ruins and wbose politics are wracked by factional disputes arising from tribal regional religious and personality issues.

Missing from the commission is the man whose political sbadow still falls over Uganda despite bis absence. On Tuesday, Mr. Milton Obote, the 57-year-old former Prime Minister over-

Dr. Obote . . . returning?

thrown by Amin in Jannary 1971, will set foot on Ugandan soil after nearly nine years in exile.

Ironically, the politician wbo once in power turned Uganda into a one-party state and never put his own or his party's popnlarity to the test at a general election, may get back to office through the multi-party poll the new régime bas promised will be beld by the end of the year.

Many of the shops in the capital are still empty or boarded np, looted in the final days of the war. The rest display pathetically few wares. A few aelect stores have goods smuggled in from neighbouring Kenya at black-market prices. The city's main hospital bas long been without medicines. In the stinking mortuary, where the refrigeration system has not fnnctioned for years, corpses lie piled on the floor. Some bave been brongbt in from the notorious, overcrowded Luzira prison on the outskirts of Kampala. The people died of hunger, the attendants say.

By 5.30 pm, the city is hushed and deserted. The official curfew starts at 10 pm but residents make sure they are bome by dusk.

In Northern Uganda, a crescent of countryside holding 4m people, or over a quarter of the population, bas been hit by drought. Thousands of people have already died and in the worst affected district, Karamoja, aid officials say that a bundred people a day, many of them children, are dying.

In the south-west, stronghold of Mr. Obote's Uganda People's Congress, the towns of Masaka and Mbarara have not recovered from their systematic destruction by Tanzanian troops in pursuit of Amin forces last year. Mr. Obote will hold a rally in nearby Bushenyi next week.

His way has been made easier by the conp. Mr. Mwanga is a close associate and this week the military Commission, which bas accorded itself sweeping powers, named a Cabinet in which the UPC is a powerful, if not dominating, force.

Mr. Binaisa bad ruled that all candidates would bave to stand under the umbrella of the Uganda National Liberation Front, a loose alliance of anti-Amon forces that came together last year. But the commission, in one of its first delarations, promised that all parties would be free to contest the election.

But Mr. Obote bas problems ahead. Mr. Mwanga, widely regarded as a ruthless and ambitious man, may himself aspire to the Presidency. Further, the UPC is divided with infinential members determined to keep Mr. Obote out of office.

Lawlessness in Kampala reached a peak in the weks leading up to the coup, with some 400 people a month in a city of half a million dying of gunshot wounds and assaults. Since the coup, the level of violence has fallen markedly, thougb there is occasional firing at night.

There remain unanswered questions about the role of Tanzania, 11,000 of wbose soldiers and policemen are in the country. The coup had been widely rumoured and a local newspaper even brought out a special edition warning it was imminent. While President Nyerere may not bave known it was to bappen, it required at least the acquiescence of bis men. But when Dr. Nyerere met the leaders of the coup last weekend in tbe northern Tanzanian town of Arusha, with Mr. Binaisa in the custody of Tanzanian soldiers at State House, Entebbe, he gave the new regime *de facto* recognition.

For Kenya, on the eastern border, the coup confirmed the worst fears. Events here are seen as part of a steady process preparing the way for Mr. Obote, who on taking power, Kenyans fear, will resume socialist policies and closer trade links with Tanzania.

Diplomats in Kampala used to be pessimistic. They are now close to despair.

U.S. car-makers welcome credit relaxation

Detroit's drive to survive

BY IAN HARGREAVES IN DETROIT

THE U.S. motor industry will see the Fed's relaxation of credit restrictions on Thursday as tbe first stage of a response to the strongly-worded plea by the industry's leaders lo the White House two weeks ago.

At that meeting Mr. James McLernon, chief executive of Volkswagen of America, told the President that in April 50 per cent of customers wbo had signed to buy VW's popular Rabbit cars were unable to obtain loans to complete the deals.

Other industry leaders told Mr. Carter that the Fed must find ways of making effective the intended exemption of the motor sector from the Marcb programme of credit restrictions.

What had happened, they said, was that the banks (which provide two-thirds of all retail motor loans in the U.S.) had choked off credit for cars, too, in adhearing to the Fed's loan-growth restrictions.

Mr. Carter is due to meet the same group of motor executives next month and will receive a report on the effectiveness of the relaxation policy.

But be will also come nnder pressure for stronger action on the main item worrying Detroit—tbe surge in Japanese motor imports to the U.S. So far the President has agreed only to close a tariff loophole on Japanese truck imports.

Next week motor production by the three main U.S. manufacturers will be 41 per cent below the level of a year ago. The industry blames the credit crunch for mnch of this situation.

The other side of the credit policy coin for Detroit is the lowering of interest rates which will ease pressure on dealers' showroom financing costs and may stimulate car buyers' appetites.

Almost 1,000 dealers have gone ont of business since the beginning of last year and Ford says that 60 per cent of its dealers are now losing money.

Lower interest rates are also likely to bring forward some of the industry's plans to raise loans to finance their huge capital investment programmes.

In April, Ford issued $400m (£171.6m) of 14¼ to 14¾ per cent notes, but will undoubtedly have to come to the market again shortly.

GM, whicb traditionally finances investment from its own casb flow, is also expected lo be forced into the debt markets as its profits disappear in the current qnarter.

Ironically, the one company not to benefit directly from lower bank lending rates will be Chrysler. Under the terms of the rescue package just agreed with the Government and now being negotiated in detail with lenders, Chrysler has agreed to pay a sixth contract of more than 15 per cent on its loans for the next three years.

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£4m repairs to Thistle oil pipeline

BY RAY DAFTER, ENERGY EDITOR

DIVERS and offshore engineers have repaired the Thistle Field oil pipeline, broken in one of the costliest onderwater accideots in the North Sea. It ls expected the final hill for repairs and commissioning will exceed £4m.

Tha question of who pays for the damage is in the hands of lawyers. An inspection of the seabed showed the break in the line, close to Shell/Esso'a Dunlin platform, was caused by a dragging anchor.

British National Oil Corporation, as operator of the field, said yesterday the line would be brought back into use as soon as the tanker loading Thistle oil from an offshore mooring station sailed from the field next week.

The back-up offshore loading system has meent that for most of the time since the accident happened on April 6 oil has been produced from the field. Output using tankers has averaged about 115,000 barrels a day compared with the normal pipeline throughput of about 120,000 b/d.

BNOC said the repair to the 16-ioch diameter pipelloe was carried out in four stages. The first involved the recovery of all the damaged pipe which was lying in about 500 ft of water. The aecond phase iovolved the laying of 3,080 ft of new pipe using tha semi-submersible pipe-laying barge *Semac 1*.

The third stage entailed installing a 300-ft length of pipe which acted as a link between the seabed pipeline and the Dunlin platform. Finally the whole system was tested.

Partners in the Thistle project are: BNOC, Deminex, Santa Fe, Tricentrol, Burmah Oil (*Exploration*), Charterhouse, Ultramar, Conoco and Gulf Oil.

● British Gas said yesterday it had started applying for planning permission to build a new gas treatment plant at St. Fergus as well as a natural gas liquids unit at Nigg Bay, Cromarty Firth.

The plants are designed to form an essential part of the £1bn-£1.5bn North Sea gas gathering system which is likely to be approved by the Government this summer.

The Gas Corporation said it hoped to start construction in January so the plants could be on stream in October 1984.

Meriden near to Nigerian £3m deal

BY JOHN GRIFFITHS

NIGERIA'S oavy and air force are evaluating the Triumph motorcycles produced by tha Meriden co-operative, which expects to cooclude a deal worth £3m for up to 1,800 of the machines soon.

Tha order would follow one worth £2m for 1,200 machines placed by Nigeria for its army last year—"and which saved our bacon," the co-operative's chairman, Mr. John Rosamond, agreed yesterday.

The co-operative hopes that the order, and the sales impetus in the UK from naw variants of its single 750cc model anoounced yesterdey, will keep the company producing 175 motorcycles a week while it seeks to conelude a partnership deal to secure its future.

Mr. Geoffrey Robinson, Lahour MP for Coventry NW aod the co-operative's unpaid chief execntive, will go to Tokyo with other co-operative executives in the second week of June in the bope of tying up a rescue deal with Maruheni Corporation, a trading bouse, and Suzuki, the Japanese motorcycle manufacturer. Talks have been going on for nearly nine months.

They hope to return with an agreement in principle for a three-way partnership under which Meriden would obtain finance, as well as Suzuki expertise and compooents, to produce a wider range of models, possibly between 400cc and 900cc.

If the Japanese deal falls through, co-operative executives claim two British concerns are ready to take up negotiations. One is said to be io the financial sector, the other an engineering company.

The Japanese deal would almost certainly be contingent on the Government waiving £5.4m io loans and interest charges owed to it by the co-operative. So far Sir Kelth Joseph, the Industry Secretary, bas refused to do tbis. At the same time, he has not acted to foreclose on the loan.

Although Mr. Robinsoo hopes to avoid it, Merideo's 475 co-operative members have been warned that the cootrol of the company may pass out of UK hands as a result of the deal.

David Churchill on next week's crucial Congress

Co-ops consider the merits of thinking big

THE FIRST Co-operative Unioo congress of the 1980s, which starts io the Isle of Man on Mooday, could prove crucial for the co-op movement's next decade.

The coogress will for the first time offer grass-roots members of the movement a dehate on setting up a major oew natiooal co-operative trading organisation to replace the present diffuse structura.

Most delegates will he ooly too aware that the present tough trading in the High Street — and the prospect that both the scale and pace of retailing will accelerate sharply in the 1980s — has put the retail co-op movement under the greates pressure of is long history.

The co-op's share of retail trade has fallen steadily over the past four years from its paak of 7.1 per cent in 1976 to 6.7 per cent last year. In the grocery trade alone, the co-ops are still hy far the largest food operator but their share of about 17.5 per cent ls one per cent down on a year ago.

At the same time aggressive groups such as Tesco, J. Sainshury and Asda have steadily increased their market share. It is now even seriously suggested that Tesco, with about 14.5 per cent of the market, will actually overtake the co-op's share io three years.

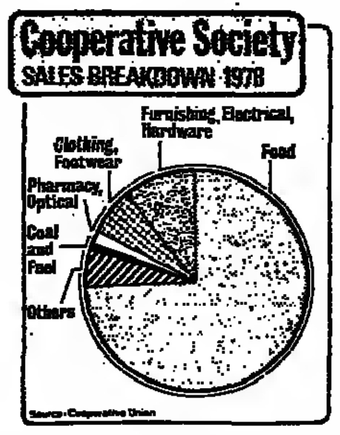
Yet at the same time as High Street pressures are beginning to take their toll on the co-ops, delegates to the coogress will he awsre that the co-op is still a major force. The co-op movemeot employs nearly a third of a million people, owns tha biggest fleet of motor vehicles outside the Government, has 150 factories at home and abroad, and operates the sixth largest deposit bank and the ninth largest mutual insurance society io Britain.

It also supplies a third of the nation's liquid milk, is second only to the National Coal Board in retail sales of coal and is the country's largest undertaker.

In spite of its size, however, the co-op is not one homogeneous trading organisation: it is an amalgam of 191 fiercely independent retail societiea which in turn are directly owned by their 10.6m customer-members.

Each retail society has a shareholding in the Co-operative Wholesale Society, the largest food manufacturer and wholesaler in Europe, but they are not obliged to buy their supplies from it. In fact, the retail societies only taka about 70 per cent of their needs from the CWS.

The organisation responsible for bringing some coheslon to the co-op retail movement is the Co-operative Unioo, which organises the annual congress. But although the retail societies are the main members of the union, they are not the only ones. The Co-operative Press and the National Co-operative Chemists are among the other members, for example, aod the union sponsors 17 MPs in tha Commons. And decisions taken *at the union's annual congress* are not binding on retail societies.



The co-op's dilemma is that its deceotralised structure, which emphasises its local ownership, has fallen out of step with the main trend in retailing over the past two decades. This trend has seen the multiple *High Street* retailers increase their market share of total retail trade from 27.5 per cent in 1961 to 42.2 per cent by 1978, and in doing so overtake the numerically far greater indapendent retail sector.

In grocery retailing alone, tha trend towards multiple outlets has become even more marked over the past decade: from 44 per cent in 1971 to 55 per ceot last year.

Thus while tha co'op's multiple competitors in the High Street can determine and implement their strategy on a national baais, the retail co-op societies are free to pursue their own policies. It is almost as though each Tesco or Marks and Spencer store manager was free to carry out his own buying and marketing policies.

The co-op movement recognised this problem in the early 1970s and established the goal nf 25 regional societies eventually to he formed hy mergers. But the traditional iodependence of each society bas made progress towards amalgamation slow. Of the 357 retail societies in 1970, 191 still exist.

While the tougher trading in the past year has seen more mergers than before, one of the biggest proposed in the last 12 months — between the South Surhurban aod the Royal Arsenal societies in London— was called off for the simple reason that the two societies decided they could not work together.

At last year's congress, however, Mr. Howard Perrow, then president, proposed the formation of a oew national body called "Co-op GB." This shnuld he formed, he suggested, by a merger of the CWS and the larger retail sociaties who account for the bulk of the co-op movement's £3.5bn turnover.

Mr. Perrow's plan for a national sociaty was not new in co-operative circles. Sioce in form or another the aim of a natlnnal organisation bas dominated the movement in the 1970s. But many within the co-op societies believe the pressures on trading at present—and, more important, in future—gives this plan a better chance of success than previous schemes.

Initial progress over the past year has been slow, and the CWS—the key to the plan's success—is still considering the idea. However, the congress will provide the first public platform for airing the idea and two societies—London and the South Wales Co-operative Retail Services—support the idea in principle.

Next week's congress could, therefore, spur the co-op movement to face the reality of its trading prospects. But many are coming to dacide that the co-op will never really be able to equate its co-operative aims and philosophy with the dictates of modern retail commercialism.

In this case, it is argued, forming a national organisation such as "Co-op GB" would be the wrong direction to take. The grass-roots alternative is that a return to true co-operative principles might prove more attractive in the 1980s

Call to end 'Victorian' training for industry

BY IVOR OWEN

THE GOVERNMENT is ready to launch a oew drive to secure major changes in indnstrial training, Mr. Jlm Lester, Under-Secretary for Employment, said in the Commons yesterday.

The two principal aims will he to introduce shorter apprenticeships lo maoy industries and greater opportunities for acquiriog new skills lo adult life.

Mr. Lester emphasised that the effects of the economic recesslon would make it more vital than ever in the coming decade to move away from the existing rigid pattern of iodustrial training.

A more flexible approach was required, geared to meeting the needs of victims of redundancy and others whose working life could not he confined to a single craft or iodustry.

The Government's detailed proposals will be formulated io the light of a report by the Manpower Services Commissloo—expected to be completed by July—oo the role of the 30 industrial training boards, and other national traioing hodies.

Mr. Lester sald: "We embark upon the 1980s with a traioing system rooted in the Victorian age—rigid, hidebouod by tradition and custom aod far too slow to respood to change and challenge."

BSC 'may have to take lower market share'

BY LISA WOOD

THE BRITISH Steel Corporation has been told by steel stockholders that it may have to accept a lower market share than it had before the strike.

Mr. Norman Richards, president of the Natiooal Association of Steel Stockholders, told the association's annual conference yesterday the steel strike had caused a fuodameotal change in the structure of the steel maoufacturiog and stockholding industries.

"We must recognise that from a oationalised iodustry which was merely run down, in many respects badly managed and certainly punch druok from many reorganisations, we now have the positioo of an angry workforce, possibly ready to strike again, with yet another reorganisation inevitable.

"Probably more important than eveo these points is the fact that BSC customers are confused and extremely suspicious."

Steel stockholders' had to keep customers supplied. Equally, direct buyers had bad to protect themselves by buying from other countries," he said.

"Unscrambliog those arrangements will not be easy and the corporatioo may have to accept a lower market share."

While the BSC, in copiog with the situation, could expect goodwill in its attempts at revival it certainly could oot rely upon it, he said.

Home furniture deliveries worth £89.7m

By James McDonald

DOMESTIC FURNITURE deliveries io February were estimated to be worth £89.7m at current prices. This produced a seasonally adjusted index figure (1975=100) of 96, oearly 12 per cent lower than in Febraury last year, according to Department of Trade statistics.

The average index for the three months December to Febraury, also at 96, was 11.1 per cent lower than in the correspondiog period a year before.

The Index of orders-oo-hand, oo a seasooally adjusted hasis, was provisionally 59 in February —28 poiots, or 32 per ceot, lower than in February 1979, while the three-mooths index, at 67, was 28.7 per ceot down

Bentalls plans second Kingston development

BY MICHAEL CASSELL

ANOTHER multi-million pouod redevelopment scheme is heing proposed for the centre of Kingston-upon-Thames.

Bentalls, the department store group which occupies a major site in the centre of the town, has submitted plans to Kingstoo council which envisage a new shopping mall and office compex adjoining its existing store.

The scheme, if approved, will be developed across the road from the Horsefair site, which is about to become the subject of a public inqoiry. Both John Lewis and a consortium headed by Dixoos Photographic have put in plans to develop the four-acre Horsefair site opposite the Bentalls store.

The John Lewis scheme would have a 320,000 sq ft store as its centreplece. Dixons, with Debenhams aod some local traders, plans to build a 160,000 sq ft department store, 10 shops, a 150 bedroom hotel and 40,000 sq ft of offices.

The Bentalls scheme will include a shopping mall, linked to the existing department store, which will loclude two major units and another 25 smaller outlets.

A 60,000 sq ft office block, a 40,000 sq ft supermarket and extra car parklog space are also planned.

Bentalls said yesterday the scheme, if approved, would cost several million pounds and finance woud be sought from the institutions.

UK NEWS

Triplex lands order for Mitsubishi

BY JOHN GRIFFITHS

UK MOTOR component makers have landed their first contracts with Mitsubishi Motor of Japan.

Triplex Safety Glass of Birmingham signed a contract last week to supply up to 60,000 heated rear windscreens a year to be fitted to Colt 1200 and 1400 models for sale in Europe.

The deal is worth about £400,000 a year, and is the second landed by Triplex with a Japanese maker within a few months.

Triplex concluded a contract to supply Toyota with heated rear screens for its Europe-bound Starlets, a deal worth £200,000 a year over five years.

Mitsubishi is ordering about 160,000 oil filters a year from AC-Delco, General Motors' Dunstable components arm, worth about £200,000 a year.

The company indicated yesterday that other components it considers buying could bring the total annual value of UK-supplied parts to £1.6m.

Mitsubishi's move was welcomed by the Society of Motor Manufacturers and Traders yesterday as a step toward redressing the imbalance in the motor trade between Britain and Japan.

Nevertheless, Japanese component purchases remain very small. They were worth £8.4m last year, compared with £51m, nearly all spare parts for Japanese-made cars, imported by Britain from Japan.

Lucas and GKN are among British makers exporting to Japan. The market is insignificant when set against almost £600m-worth of components bought from the UK by European manufacturers last year.

Hatton platform 'will put UK yards in lead'

BY RAY PERMAN, SCOTTISH CORRESPONDENT

MOST OF the work on the Hatton oil platform, which will use advanced technology particularly applicabe to deep water fields, is likelyt to be done by British yards, Mr. Bill Schmoe, head of Conoco's operations in the UK, said yesterday.

At the opening of Conoco's new North Sea headquarters in Aberdeen, he sai dthat building the platform, which will consist of a floating deck tethered to the seabed by tensione dlegs, would put Conoco and its partners in the £600m Hatton project in the forefront of oil development.

The company will use Hatton, which is in comparatively shallow water in the northern Norbt Sea, as a testing ground for the system whic hwill bring savings only in water 1,000 feet deep or more.

Mr. Schmoe added that the system could have wide use in the Atlantic west of Shetland and close to the Rockall Trough, the northern Norwegian sector of the North Sea, the Gulf of Mexico and the eastern seaboard of the U.S.

Tenders will be invited in about a year.

Lonrho buys Ladbroke casino for £2.25m

BY ANDREW FISHER

LADBROKE GROUP has agreed to sell the most profitable of its provincial gaming clubs, Caesars Palace Casino in Luton, to Lonrho, the international trading conglomerate, for £2.25m cash.

The sale, conditional on court consent to the transfer and renewal of the present gaming licence, is a further step in Ladbroke's departure from the casino business.

On Tuesday, it closed its last London club, the Park Tower in Knightsbridge, where it will make 130 people redundant next week. It also said there would be no appeal against the closure of three Mayfair casinos, the Hertford Club, the Park Lane Casino, and the Ladbroke Club.

These were shut in December after the Knightsbridge Crown Court turned down its appeal against the withdrawal of the licences because of misconduct, mainly involving the illegal enticement of gamblers away from rival clubs. The High Court refused to reopen the matter in March.

Reo Stakis, a Glasgow company, has agreed to buy five provincial clubs for £4.43m cash, with an unnamed purchaser ready to buy another and negotiations over the remaining four still proceeding.

Lonrho already operates one casino in Brighton and signed its conditional contract with Ladbroke on the Luton club through a subsidiary, Brighton Metropole (Casino). It also has a small casino in Zambia.

The deal does not include the night club and restaurant facilities run by Ladbroke at the Luton premises.

Asked if Lonrho might move further into the UK casino sector, Mr. Philip Tarsh, a director, said: "It is reasonable to say that possibly we might look at one or two more, but there are no negotiations now."

After its decision to close the Park Tower Casino, where the Gaming Board was attempting to have the licence cancelled, Ladbroke is now turning its attention to the disposal of its four empty London clubs.

Mr. Geoffrey Spreckley, the head of Ladbroke's casino and bingo company, City and Provincial Gaming Holdings, said it would not be possible to sell the clubs in one deal.

But he hoped they could be disposed of for use as casinos. One, the Ladbroke Club, has been damaged by fire and still needs a good deal of renovation.

Esso puts another 1p on petrol

Esso raised its wholesale petrol price 0.19p a litre at midnight — the equivalent of about 1p a gallon on the pump price and the company's second increase in a week. The increase does not apply to its other oil products.

Esso, BP, Texaco and Mobil all raised wholesale petrol prices between 1.7p and 2.7p a gallon last weekend. Shell followed suit with a 1.73p rise on Thursday night.

Bills of exchange dispute settled

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

SETTLEMENT of a two-and a-half-year legal battle over nine bills of exchange totalling DM 26m was announced in the High Court yesterday.

Four actions had been brought, by Lloyds Bank International, Allgemeine Deutsche Credit-Anstalt, the Panama-based Canal Representations and Wardley (Vila), an affiliate of the Wardley merchant banking group in Hong Kong.

Defendants were Gerrard International, a subsidiary of Gerrard and National Discount, and the Bank of Oman. Other parties to the actions were Chase Manhattan Bank NA and Chase Manhattan Bank (Austria).

Yesterday the judge was told that the parties had come to terms. In an agreed statement, Mr. Samuel Stamler, QC, for ADGA, said Chase Manhattan and the Bank of Oman had compensated the plaintiffs in full and would also pay their costs on a party and party basis.

More plan to take holidays in Britain

By James McDonald

MORE BRITANS intend to take holidays away from home this year but, for the first time in six years, there is an increase in the proportion of those planning to holiday in Britain than abroad, according to a survey carried out by the English Tourist Board.

The survey, carried out annually, is based on a sample of the holiday intentions of over 2,000 adults. In previous years there has been a useful co-relation for the tourist trade between these intentions and holidays actually taken.

This year, about 66 per cent of the sample intend to take a holiday of four nights or more away from home, compared with 64 per cent in 1979. The proportion of those who are not planning a holiday from home has risen from 28 to 29 per cent but the "don't knows" have fallen from 8 to 6 per cent.

The survey estimates that, of the adult population, 42 per cent this year intend to holiday in Britain, compared with the figure of 40 per cent which has been static since 1975. Three-quarters of these holidays will be in England.

Competition from holiday areas abroad, however, will still be keen this year, with the proportion rising from 19 to 20 per cent. This increase, according to the survey, stems from the higher-income earners, who are now as likely to choose a main holiday abroad as one in Britain. At the upper end of the holiday market, therefore, competition is expected to be as intense as last year.

Bank of England updates list of authorities

The Bank of England's updated list of institutions authorised to take deposits under the Banking Act 1979 comprising 252 recognised banks and 116 licensed deposit-takers is given here.

The list also includes a further 240 institutions whose applications for deposit-taking authority are still under consideration. Further lists will be issued from time to time.

Final determination of the applications of those institutions which were taking deposits on October 1 1979 will be completed in every case within at most twelve months of the receipt of their applications and in most cases in the next month or two, the Bank states.

BANKING ACT 1979

Recognised banks

Alexanders Discount Company Ltd.
Algemene Bank Nederland N.V.
Allen, Harvey and Ross Ltd.
Allied Arab Bank Ltd.
Allied Bank International
Allied Bank of Pakistan Ltd.
Allied Irish Banks Ltd.
Allied Irish Investment Bank Ltd.
American National Bank and Trust Company of Chicago
Amex Bank Ltd.
Amsterdam-Rotterdam Bank N.V.
Henry Ansbacher and Co. Ltd.
AP Bank Ltd.
Arab Bank Ltd.
Arbuthnot Latham and Co. Ltd.
Australia and New Zealand Banking Group Ltd.

Banca Commerciale Italiana
Banca Nazionale del Lavoro
Banco Central, S.A.
Banco de Bilbao
Banco de la Nación Argentina
Banco de Santander, S.A.
Banco de Vizcaya, S.A.
Banco di Roma S.p.A.
Banco do Brasil S.A.
Banco Real S.A.
Banco Totta and Açores
Banco Urquijo Hispano Americano Ltd.
Bangkok Bank Ltd.
Bank Bruxelles Lambert (UK) Ltd.
Bank Julius Baer International Ltd.
Bank Bumiputra Malaysia Berhad
Bank für Gemeinwirtschaft A.G.
Bank Hapoalim B.M.
Bank Leumi (UK) Ltd.
The Bank of Adelaide
Bank of America International Ltd.
Bank of America N.T. and S.A.
Bank of Baroda
The Bank of California N.A.
Bank of Ceylon
Bank of China
Bank of Cyprus (London) Ltd.
Bank of India
The Bank of Ireland
Bank of London and South America Ltd.
Bank of Montreal
Bank of New South Wales
The Bank of New York
Bank of New Zealand
The Bank of Nova Scotia
Bank of Scotland
The Bank of Tokyo Ltd.
The Bank of Tokyo Trust Company
The Bank of Yokohama Ltd.
Bankers Trust Company
Banque Belge Ltd.
Banque Belgo-Zairoise S.A.
Banque de L'Indochine et de Suez S.A.
Banque de Paris et des Pays-Bas S.A.
Banque Francaise de Credit International Ltd.
Banque Nationale de Paris Ltd.
Banque Occidentale pour l'industrie et le commerce
Barclays Bank Ltd.
Barclays Bank International Ltd.
Barclays Merchant Bank Ltd.
Baring Brothers and Co. Ltd.
The British Linen Bank Ltd.
Brown, Shipley and Co. Ltd.

Canadian Imperial Bank of Commerce
Cater Ryder and Company Ltd.
Central Bank of India
Central Trustee Savings Bank Ltd.
The Chartered Bank
Charterhouse Japhet Ltd.
The Chase Manhattan Bank N.A.
Chase Manhattan Ltd.
Chemical Bank
Chemical Bank International Ltd.
Citibank N.A.
Citicorp International Bank Ltd.
Clive Discount Company Ltd.
Clydesdale Bank Ltd.
The Commercial Bank of Australia Ltd.
Commercial Bank of Korea Ltd.
The Commercial Bank of the Near East Ltd.
The Commercial Banking Company of Sydney Ltd.
Commerzbank A.G.
Commonwealth Trading Bank of Australia
Continental Illinois Ltd.
Continental Illinois National Bank and Trust Company of Chicago
Co-operative Bank Ltd.
County Bank Ltd.
Coutts and Co.
Crédit Industriel et Commercial
Crédit Lyonnais
Crédit Suisse
Credit Suisse First Boston Ltd.
Credito Italiano
Crocker National Bank

The Dai-Ichi Kangyo Bank Ltd.
The Daiwa Bank Ltd.
Deutsche Bank A.G.
Discount Bank (Overseas) Ltd.
Dresdner Bank A.G.

Euro-Latinamerican Bank Ltd.
European Arab Bank Ltd.
European Banking Company Ltd.
European Brazilian Bank Ltd.

The Fidelity Bank
First City National Bank of Houston
First Dallas Ltd.
First National Bank in Dallas
First National Bank in St. Louis
The First National Bank of Boston
The First National Bank of Chicago
First Pennsylvania Bank N.A.
First Wisconsin National Bank of Milwaukee
Robert Fleming and Co. Ltd.
French Bank of Southern Africa Ltd.
The Fuji Bank Ltd.

Gerrard and National Discount Company Ltd.
Antony Gibbs Holdings Ltd.
Gillett Brothers Discount Company Ltd.
Girard Bank
Gray, Dawes and Company Ltd.
Grindlay Brandts Ltd.
Grindlays Bank Ltd.
Guinness Mahon and Co. Ltd.

Habib Bank Ltd.
Hambros Bank Ltd.
Harris Trust and Savings Bank
Hessische Landesbank-Girozentrale

Hill Samuel and Co. Ltd.
C. Hoare and Co.
The Hokkaido Takushoku Bank Ltd.
The Hongkong and Shanghai Banking Corporation
Hungarian International Bank Ltd.

The Industrial Bank of Japan Ltd.
International Commercial Bank Ltd.
International Energy Bank Ltd.
International Mexican Bank Ltd.
International Westminster Bank Ltd.
Investitions-und Handels-Bank A.G.
Irving Trust Company
Italian International Bank Ltd.

Jessel, Toynbee and Co. Ltd.
Johnson Matthey Bankers Ltd.
Leopold Joseph and Sons Ltd.

Keyser Ullman Ltd.
King and Shaxson Ltd.
Kleinwort, Benson Ltd.
Korea Exchange Bank
The Kyowa Bank, Ltd.

Lazard Brothers and Co., Ltd.
Libra Bank Ltd.
Lloyds Bank Ltd.
Lloyds Bank International Ltd.
Lloyds Bank International (France) Ltd.
London and Continental Bankers Ltd.
London Interstate Bank Ltd.
The Long-Term Credit Bank of Japan, Ltd.

Malayan Banking Berhad
Manufacturers Hanover Ltd.
Manufacturers Hanover Trust Company
Marine Midland Bank N.A.
Mellon Bank, N.A.
Merrill Lynch International Bank Ltd.
Midland Bank Ltd.
Midland and International Banks Ltd.
The Mitsubishi Bank Ltd.
The Mitsubishi Trust and Banking Corporation
The Mitsui Bank Ltd.
The Mitsui Trust and Banking Company Ltd.
Samuel Montagu and Co. Ltd.
Morgan Grenfell and Co. Ltd.
Morgan Guaranty Trust Company of New York
Moscow Narodny Bank Ltd.
Muslim Commercial Bank Ltd.

National Bank of Abu Dhabi
The National Bank of Australasia Ltd.
National Bank of Canada
National Bank of Detroit
National Bank of Greece S.A.
The National Bank of New Zealand Ltd.
National Bank of Pakistan
National Westminster Bank Ltd.
Nedbank Ltd.
The Nippon Credit Bank, Ltd.
Nordic Bank Ltd.
North Carolina National Bank
Northern Bank Ltd.
The Northern Trust Company

Orion Bank Ltd.
Overseas-Chinese Banking Corporation Ltd.
Overseas Union Bank Ltd.

Philippine National Bank
Punjab National Bank

Rainier National Bank
Rea Brothers Ltd.
Republic National Bank of Dallas
Reserve Bank of Australia
N.M. Rothschild and Sons Ltd.
The Royal Bank of Canada
The Royal Bank of Scotland Ltd.
The Royal Trust Company of Canada

The Saitama Bank, Ltd.
The Sanwa Bank, Ltd.
Saudi International Bank (Al-Bank Al-Saudi Al Alami Ltd.)
Scandinavian Bank Ltd.
Seattle-First National Bank
J. Henry Schroder Wagg and Co. Ltd.
Seccombe Marshall and Campion Ltd
Security Pacific National Bank
Singer and Friedlander Ltd.
Smith St. Aubyn and Co. Ltd.
Société Générale pour favoriser le développement du commerce et de l'industrie en France
Sonali Bank
The Standard Bank Ltd.
Standard Chartered Bank Ltd.
Standard Chartered Merchant Bank Ltd.
State Bank of India
The Sumitomo Bank, Ltd.
The Sumitomo Trust and Banking Company Ltd.
Swiss Bank Corporation
Syndicate Bank

The Taiyo Kobe Bank Ltd.
Texas Commerce Bank N.A.
The Thai Farmers Bank Ltd.
The Tokai Bank, Ltd.
The Toronto-Dominion Bank
The Toyo Trust and Banking Company Ltd.
Trade Development Bank

UBAF Bank Ltd.
Ulster Bank Ltd.
Union Bank of Switzerland
The Union Discount Company of London Ltd.
United Bank Ltd.
The United Bank of Kuwait Ltd.
United California Bank
United Commercial Bank
United International Bank Ltd.
United Overseas Bank Ltd.

S. G. Warburg and Co. Ltd.
Wells Fargo Bank N.A.
Westdeutsche Landesbank Girozentrale
Williams and Glyn's Bank Ltd.
Wurttembergische Kommunale Landesbank Girozentrale

The Yasuda Trust and Banking Co., Ltd.
Yorkshire Bank Ltd.

Zambia National Commercial Bank Ltd.
Zivnostenská Banka National Corporation

Licensed deposit taking institutions

Abbey Finance Co. Ltd.
The Afghan National Bank Ltd.
The Alliance Trust Co. Ltd.
Alrajir Ltd.
Armada Investments Ltd.
Associated Credits Ltd.
Associated Japanese Bank (International) Ltd.
Associates Capital Corporation Ltd.

Banco Espirito Santo e Comercial de Lisboa
Banco Nacional de Mexico S.A.
Banco Português do Atlântico
Bank of Europe Ltd.
Bank of Tokyo International Ltd.
Bankers Trust International Ltd.
Banque Francaise du Commerce Extérieur
Barclays Bank Trust Company Ltd.
Barclays Bank UK Ltd.
Bowmaker Ltd.
Bucks Land and Building Co. Ltd.
Bunge and Co. Ltd.

Canada Permanent Trust Co. (UK) Ltd.
Cayzer Ltd.
Cedar Holdings Ltd.
Chartered Trust Ltd.
Charterhouse Japhet Credit Ltd.
The Cho-Heung Bank Ltd.
CP Choularton Sons and Partners Ltd.
Close Brothers Ltd.
Clydesdale Bank Finance Corporation Ltd.
Commercial Bank of Malawi Ltd.
Commonwealth Savings Bank of Australia
Corinthian Securities Ltd.
Coutts Finance Co.
Craneheath Securities Ltd.
Cyprus Finance Corporation (London) Ltd.

Dalbeattie Finance Co. Ltd.
Dawnay, Day and Co. Ltd.
Dunbar and Co. Ltd.
Duncan Lawrie Ltd.

East Anglian Securities Trust Ltd.
East Midlands Finance Co. Ltd.
Eastcheap Investments Ltd.
EBS Investments Ltd.
Eccles and District Finance Co. Ltd.
The English Association Investment Trading Co. Ltd.
E.T. Trust Ltd.
Everett Chettle Associates
Exeter Trust Ltd.

FFI (UK Finance) Ltd.
Finance for Industry Ltd.
First National Bank of Maryland
First National Securities Ltd.
Ford Financial Trust Ltd.
Forward Trust Ltd.
Robert Fraser and Partners Ltd.

Goode Durrant Trust Ltd.
H. T. Greenwood Ltd.
Gresham Trust Ltd.
Greyhound Guaranty Ltd.
Grindlays Bank (Scotland) Ltd.
Grindlays Humberclyde Ltd.

Harwal Finance Ltd.
Numa Corporation Ltd.

Industrial Bank of Scotland Ltd.
Industrial Funding Trust Ltd.

Japan International Bank Ltd.

Lewis's Bank Ltd.
Lloyds Associated Banking Company Ltd.
Lombard and Ulster Banking Ltd.
Lombard North Central Ltd.
London and Harrogate Securities Ltd.

McNeill Pearson Ltd.
Edward Manson and Co. Ltd.
Manufacturers Hanover Export Finance Ltd.
Manufacturers Hanover Industrial Finance Ltd.
Medens Trust Ltd.
Mercantile Credit Company Ltd.
The Methodist Chapel Aid Association Ltd.
M.H. Credit Corporation Ltd.
Milford Mutual Facilities Ltd.
Minster Trust Ltd.
Multibanco Comermex S.A.

North West Securities Ltd.
Norwich General Trust Ltd.

Oriental Credit Ltd.

Park Street Securities Ltd.

R. Raphael and Sons Ltd.
Reliance Bank Ltd.
The Riggs National Bank of Washington, D.C.

Savings Bank of South Australia
Schroder Leasing Ltd.
E. S. Schwab and Co. Ltd.
Service Finance Corporation Ltd.
Shanghai Commercial Bank Ltd.
Shawlands Securities Ltd.
Smith and Williamson Securities
B.P. Finance Ltd.
Spry Finance Ltd.
Standard Property Investment Co. Ltd.
State Savings Bank of Victoria

The Teachers and General Investment Co. Ltd.
Texas Commerce International Bank Ltd.
Thorncliffe Finance Ltd.
Tressford Securities Ltd
Trolcon Ltd.
Tricity Acceptances Ltd.
Trucanda Trusts Ltd.
Turkish Bank Ltd.
Tyndall and Co.

United Dominions Trust Ltd.

Vernons Trust Corporation

Western Trust and Savings Ltd.
Whiteaway Laidlaw and Co. Ltd.
N. H. Woolley and Co. Ltd.

Yorkshire Bank Finance Ltd.
Yorkshire Bank Leasing Ltd.

Under consideration

Applications under consideration received from institutions which were conducting a deposit-taking business on October 1, 1979

A1 (Investment) Ltd.
Advie Property Co. Ltd.
Aincan Continental Bank Ltd.
Allied Irish Finance Co. Ltd.
American Express International Banking Corporation
Anglo-Romanian Bank Ltd.
Assemblies of God Property Trust
Aston Rothbury and Co. Ltd.
Atlantic International Bank Ltd.
Auben Finance Ltd.

Banco de Jerez S.A.
Banco do Estado de São Paulo S.A.
Banco Español en Londres S.A.
Banco Mercantil de São Paulo S.A.
Bancomer, S.A.
BankAmerica Finance Ltd.
Bank Handlowy w Warszawie S.A.
Bank Melli Iran
Bank of Credit and Commerce International S.A.
Bank of Ireland Finance Ltd.
Bank of Ireland Finance (N.I.) Ltd.
Bank of New South Wales Savings Bank Ltd.
The Bank of Nova Scotia Trust Company (United Kingdom) Ltd.
Bank of Oman Ltd.
Bank of Tehran
Bank Pars
Bank Saderat Iran
Bank Sanaye Iran
Bank Sepah
Banque du Rhone et de la Tamise S.A.
The Baptist Union Corporation Ltd.
Barbados National Bank.
Thomas Barlow and Bro. Ltd.
Bayerische Landesbank Girozentrale
Bayerische Vereinsbank
B.C.F. Finance Co. Ltd.
Beverley Acceptances Ltd.
Boston Trust and Savings Ltd.
Boul' Mich' Ltd.
Bradford Investments
Brorbat Holdings Ltd.
Bridgeover Ltd.
Bridgeway Finance Ltd.
Bristol and West Investments Ltd.
The British Bank of the Middle East
British Credit Trust Ltd.
Brook Securities and Co. Ltd.
Brutton Mortgage Investments (Hampshire) Ltd.
Buchanan Securities Ltd.
Banzl Finance Ltd.
Burlington Investments Ltd.
Business Mortgages Ltd.

Calculus Finance Ltd.
Carolina Bank Ltd.
Castle Phillips Finance Co. Ltd.
Cattles Holdings Finance Ltd.
COB Investments Ltd.
Central Banking and Finance Corporation Ltd.
The Central Investment Co. Ltd.
Century Factors Ltd.
Century Industrial Services Ltd.
Chancellor Finance, Ltd.
Chancery Securities Ltd.
Charter Consolidated Finance Ltd.
Chase Bank (Ireland) Ltd.
Chesterfield Street Trust Ltd.
Citibank Trust Ltd.
Cleveland Guaranty Ltd.
CE Coates and Co. Ltd.
Cobnor Finance Co. Ltd.
Commercial Bank of Wales Ltd.
Commercial Credit Services Ltd.
Consolidated Credits and Discounts Ltd.
Co-operative Commercial Bank Ltd.
Copleys Bank Ltd.
Cornfield Finance and Management Ltd.
Crown Brewery Co. Ltd.
Cue and Co.
The Cyprus Popular Bank
C. Czarnikow Ltd.

Darlington Finance Ltd.
Darlington Merchant Credits Ltd.
Dartington and Co. Ltd.
The Detroit Bank and Trust Company
J. H. Dewhurst Ltd.
Dow Banking Corporation
Dunsterville Estates Ltd.

Eagil Trust Co. Ltd.
Ensign Discount Co. Ltd.

The Faircliffe Finance Co. Ltd
Family Finance Ltd
F.C. Finance Ltd.
Federated Trust Corporation Ltd.
M. and F. Feuchtwanger
Finance Facilities (London) Ltd.
Financial and General Securities Ltd.
James Finlay Corporation Ltd.
Finovo Finance Ltd.
First Guarantee Trust Co. Ltd.
First Indemnity Credit Ltd.
First Knightsbridge Guarantee Ltd.
Ford Motor Credit Co. Ltd.

Gallic Credit International Ltd.
Ghana Commercial Bank
Gillespie Bros. and Company Ltd.
Goode Durrant and Murray (Consolidated) Ltd.
Goodwin Squires Securities Ltd.
Grainger Trust Ltd.
Greatwell Finance Ltd.
Grindlay Brandts Executor and Trustee Company Ltd.
G.T. Management Ltd.
Gulf International Bank B.S.C.

Habib Bank A.G. Zurich
N. Halford and Co. Ltd.
The Hanil Bank Ltd.
The Hardware Federation Finance Co. Ltd.
Harrods (Knightsbridge) Ltd.
Harton Securities Ltd.
Havana International Bank Ltd.
Headstar Finance (Bradford) Ltd.
The Heritable and General Investment Bank Ltd.
N.F.C. Trust Ltd.
Hinde Street Finance Co. Ltd.
N. and J. Finance Co. (Midlands) Ltd
Holdenhurst Securities Ltd.
Hurn Finance Ltd.

International Resources and Finance Bank S.A.
The Investment Bank of Ireland Ltd.
Investment Trustees Ltd.
Iran Overseas Investment Bank Ltd.

Jobec Finances Ltd.
Jammal Trust Bank S.A.L.
Joliman Finance Ltd.

Keesler Federal Credit Union
King's Lynn Finance Ltd.
Kintyre Securities Ltd.
Knowsley and Co. Ltd.
Korea First Bank
K. Shoemakers Ltd

Langris Trust Ltd.
Langlonien Finance Ltd.
Lloyds and Scottish Ltd.
Lloyds and Scottish Trust Ltd.
Llyn Property Co. Ltd.
Lombard Street Investment Trust Co Ltd.
London Capital Securities Ltd.
London and Colonial Banking Corporation Ltd.
London Law Finance Ltd.
London Law Securities Ltd.
London Scottish Banking Corporation Ltd.
Lordsvale Finance Ltd.
Lucas Employees Savings Bank
Lucas Employees Share Bank

Manchester Exchange and Investment Bank Ltd.
W. M. Mann and Co. (Investment) Ltd.
The Mardun Investment Co. Ltd.
Marine Midland Ltd.
Martec Industrial Finance Ltd.
Matheson and Co. Ltd.
Merchant Banking (N.I.) Ltd.
Mercantile Bank Ltd.
Merseyside Finance Ltd.
Merchant Provident Society Ltd.
Merseyside Finance Ltd.
MMH Investments Ltd.
Moneycare Ltd.
Mortgage Management and Investments Ltd.
Motor Investments (West Midlands) Ltd.
Musket Finance Ltd.

National Bank of Nigeria Ltd.
The National Children's Charities Fund Ltd.
National Commercial and Glyns Ltd.
National Guardian Securities Ltd.
National Trust of India Ltd.
New Nigeria Bank Ltd.
M. J. H. Nightingale and Co. Ltd.
Noble Grossart Ltd.
The North of Scotland Finance Co. Ltd.
Northern Bank Development Corporation Ltd.
Northern Bank Executor and Trustee Co. Ltd.
Northern Ireland Industrial Bank Ltd.
Northern Ireland Industrial Bank (I.O.M.) Ltd.
Norton Warburg Investment Management Ltd.

OOB Services S.A.
Oldham Church Schools Building Co. Ltd.
Overseas Trust Bank Ltd.

Page and Gwyther Ltd.
The Peoples Bank Ltd.
Personal Loans (Investments) Ltd.
Pointon York Ltd.
Prestwick Investment Trust Ltd.
Provincial Bank of Ireland Ltd.
Punjab and Sind Bank

Qatar National Bank S.A.Q.
Quayside Finance Ltd.
Gerald Quin, Cope and Co. Ltd.

Rafidain Bank
Rathbone Bros and Co.
Ravendale Securities Ltd.
Red Dragon Securities Ltd.
P. S. Refson and Co. Ltd.
Rossminster Ltd.
The Royal Bank of Canada (London) Ltd.
The Roylon Investment Co. Ltd.

S and B Employees Share Bank
St. Martin-le-Grand Securities
St. Tydfil Finance Ltd.
David Sassoon and Co. Ltd.
Saturn Investment Management Co. Ltd.
Schlesinger Ltd.
Scott Wilson Investments Ltd.
Scottish Western Trust Holdings Ltd.
Security Trust Co. Ltd.
Sherwood St. John Ltd.
Société Générale Bank Ltd.
South Birmingham Savings Society Ltd.
South Notts Finance Ltd.
Southsea Mortgage and Investment Co. Ltd.
Standard Credit Services Ltd.
Sterling Credit Ltd.

Toronto Dominion International Bank Ltd.
Tozer Kemsley and Millbourn (Holdings) Ltd.
Trinity Trust and Savings Ltd.
Trojan Investments
Twentieth Century Banking Corporation Ltd.

Ulster Investment Bank Ltd.
Unico Finance Ltd.
United Kingdom Guarantee Corporation Ltd.
Utobond Ltd.

Barrie Vangar and Co. Ltd.
Venture Finance Ltd.

Wallace, Smith Trust Co. Ltd.
Wellgate Old Hall Ltd.
Wells Fargo Ltd.
West Cumberland Farmers Ltd.
West Riding Securities Ltd.
Wholesale Vehicle Finance Ltd.
Wimbledon and South West Finance Co Ltd.
Wintrust Securities Ltd.
The Worcestershire Housing and Savings Society

N. F. Young and Co. Ltd.

LABOUR

Weekend flights at Luton likely to be disrupted

BY OUR LABOUR STAFF

FURTHER DISRUPTION of flights to and from Luton Airport during the bank holiday weekend seems likely after services in and out of the airport were again affected yesterday by industrial action.

Passengers had to be transferred to alternative airports on Thursday when about 300 workers, including baggage handlers, security staff and cleaners, walked out over the suspension of three staff.

Most of the staff returned yesterday, but were still working to rule and operating an overtime ban. As a result staff numbers were down to about two-thirds of their normal level. Flights were delayed between one and two hours, although no passengers had to be transported to other airports.

An airport official said services in the bank holiday period were again likely to be disrupted despite talks under way between Luton Borough Council, which runs the airport, and the Transport and General Workers' Union.

The dispute centres on a report on municipal airport workers' pay, drawn up earlier this year by the Clegg comparability commission.

The report awarded substantial pay increases to the 1,500 local authority airport workers around the country, but it was only an interim statement since no overall increase was recommended or costed.

Instead, the report left individual managements and unions to determine the grading of specific jobs for assimilation on to new pay grades which were laid down in the report.

The uncertainty of the report —which was seen as being the possible cause of local disputes — was compounded by one recommendation that productivity payments should be limited to 7.5 per cent of the new rates until the full effect of the recommendations on total earnings is known.

Existing local productivity schemes at Luton provide an addition of more than 20 per cent to basic pay.

● The Clegg commission cost £700,000 in the year ended March 31, Mr. Jim Lestor, Employment Under-Secretary of State, said yesterday.

EPTU calls for new technology expansion

BY JOHN LLOYD

ENGINEERING and electrical companies were yesterday urged to improve their performance. The national industrial conference of the Electrical and Plumbing Trades Union at Eastbourne backed executive council resolutions demanding faster adoption of new technology, rapid expansion of training, and greatly increased investment.

Representatives of the country's 430,000 electricians attacked employers for laziness, ignorance and indifference to the needs of a new age.

Mr. Roy Sanderson, national officer responsible for the engineering industry, told the conference that successful and rapid adoption of new techniques would not only create full employment, but would create enough wealth to cope with social problems resulting from loss of jobs.

"Not to innovate would mean that even those in work would be in poverty."

Delegates and executive members voiced fears that other unions, especially the Technical, Administrative and Supervisory Section of the Amalgamated Union of Engineering Workers and the white-collar Association of Scientific, Technical and Managerial Staffs, would supply the skills now increasingly in demand.

Mr. Sanderson said British workers had only half the capital behind them of their counterparts in competing countries.

British investment overseas was proportionately the highest in the world, and abolition of exchange controls had exacerbated the position. The conference unanimously adopted a motion demanding reduction in investment abroad by engineering companies, and creation by the Government of an investment reserve fund for the engineering industry.

Labour conference saved

BY ELINOR GOODMAN, LOBBY STAFF

LABOUR'S one-day conference next weekend has been saved from disruption by the decision of the Transport and General Workers' Union to delay strike action in support of their pay claim until June 2.

National Union of Journalists employees at Labour's headquarters yesterday decided to boycott all material connected with the one-day conference, which is supposed to co-ordinate the Labour movement's attack on the Tories.

But the TGWU, which has the largest membership among the staff in dispute, decided not to take any action which would hit the conference.

The staff at Labour headquarters are seeking a pay increase of 32 per cent to bring them in line with workers at the TUC headquarters. Yesterday they again rejected an offer of 20 per cent plus a commitment to review their salaries in relation to those of the TUC.

Publisher warns of closure

By Our Belfast Correspondent

CENTURY NEWSPAPERS of Belfast has warned it may have to close because disputes with members of the National Graphical Association have prevented publication of its two titles for a month.

The company should have resumed publication of its morning paper, the News Letter, and of the Sunday News after the national dispute between the Newspaper Society and the NGA ended two weeks ago.

But management sought immediate talks on a new internal agreement on shift working and other conditions before it would agree to take back the 75 NGA members. The print workers are refusing to negotiate unless they are allowed back to work.

Century Newspapers said yesterday it would lay off 140 weekly paid employees without pay. Its 150 salaried staff would remain on the payroll but would not report for work.

Mr. Bill Henderson, the chairman, said £300,000 in revenue had been lost and it was "sadly obvious" that unless publication was resumed shortly the company would be forced to close

Now a day for Britain, TUC urged

THE TUC was asked yesterday to stage another Day of Action as a positive gesture to encourage its 12.5m members to buy British-made products.

Mr. Joe Guzzan, chairman of the Clothing Manufacturers' Federation, made the suggestion at the federation's annual conference.

"It never ceases to amaze manufacturers how people who constantly and vociferously demand better conditions and higher wages can so easily assuage their conscience about buying clothing made in countries where trade unions are banned, where wages are minimal and where working conditions are appalling.

"I would ask those 12.5m trade unionists to dwell for a moment on the fact that last year this country imported clothing worth a staggering £1.194bn.

Mr. Guzzan said Department of Employment figures showed more than 7m people employed in manufacturing and nearly 13m in the service sector. Compared with a year ago this was a decrease of 101,000 in manufacturing and an increase of 175,000 in servicing.

17.5% rise for electricity staff

UNION LEADERS of 50,000 electricity supply industry staff yesterday accepted a 17.5 per cent pay rise offered in reply to the union's claim.

The National and Local Government Officers' Association last month rejected a 17 per cent offer for the 39,000 clerical and related staff covered by the national agreement. The union said yesterday extra increases had been achieved for the group by bringing forward incremental payments due in August by two months.

THE WEEK IN THE MARKETS

A decisive move in gilts

LONDON

ONLOOKER

After a quiet start to the week, the London stock market began to move more decisively in the last few days—but the two major sectors have gone in different directions. Gilt-edged have been supported by heavy foreign demand, as the dollar has weakened and funds have been drawn into sterling. The UK investing institutions, happy enough to sell stock to foreigners early in the week, seem to have ended up buying some more themselves, and the Government Broker was able to supply the medium tap yesterday and announce the issue of a new low-coupon stock, Treasury 3 per cent 1985.

Equities, however, were unable to follow gilt-edged, as gloomy news has continued to emerge from the corporate sector. It is not so much that bad results are being announced—ICI's first quarter figures were perfectly good, for instance—but a number of leading companies have reported a steep fall in demand, and profit forecasts for the year are being adjusted downwards.

In the pink

Tuesday's figures from the Royal Dutch/Shell group showed another three months of robustly healthy earnings. Reported figures for the first quarter gave a £100m rise in net earnings to £718m, and even after Shell's adjustments for currency items and stock gains there was a strong underlying progression, from £416m to £468m. The problems of the last quarter of 1979, when OPEC's retrospective price adjustment meant that Shell had to pay a supplement for oil it had already sold on, did not recur, and in the refined products markets the group was generally able to match cost increases.

Even though volume sales are down — in natural gas, in particular, because of the mild European winter — Shell has made up the difference on its profit margins. And the American interests have done well, helped by the gradual decontrol of energy prices.

The downstream markets are likely to weaken from now on, but there is room for rising profits from America and, over the medium term, from the group's gas interests. Shell has more oilfields of its own coming on stream — some in the North Sea — and although it will need to buy in marginal supplies of crude oil on the spot market for some time yet, in general its sources of supply are enviably spread and of long standing.

The clearest evidence of Shell's financial strength is that it was able, in the first quarter, to finance £1.2bn of investment in fixed and working capital without recourse to additional debt. To be spared the pressures on cash that most of industry is facing at the moment is an invaluable attribute.

Difficult times

Manufacturing industry is now trying to gauge the depth of the recession rather than forecasting the speed of its approach. Profits from Imperial Chemical Industries, whose progress generally sets the tone for the overall equity market, were bright enough at £152m against £98m in the first quarter of the current year but, like so many other companies, the group is warning that trading conditions have become "much more difficult" in the past two months.

The outlook for the rest of the year, ICI said, would depend on whether the recession deepened or merely continued its "slow grinding down." Margins are starting to fall steeply as customers de-stock and costs, led by wages, escalate.

The North Sea Ninian field, in which ICI has a 19.2 per cent stake, had been expected to provide a comfortable buffer to the problems in fibres, plastics and petrochemicals and the group still expects the field to make a "substantial contribution to profits." Ninian production estimates have recently been scaled down, however, and after a North Sea profit of £26m in the first three months, earlier predictions of up to £150m for the year now seem out of court.

Auto-pessimism

The engineering sector, particularly that part which supplies the car manufacturers, has seen the future and does not like the look of it.

Guest Keen and Nettlefolds set the gloomy tone at the annual meeting when it warned that profits in the first half of 1980 will fall substantially below those for the same period of last year.

The steel strike had had a widespread impact on almost every part of the group and its effect was more significant than that of the national engineering dispute in the third quarter of 1979.

However, Mr. Trevor Holdsworth, the chairman of GKN, was more concerned in the immediate future about worsening market conditions for many sectors of the group's businesses in the UK.

The automotive components subsidiaries are worst affected and GKN has already reacted by announcing that 930 jobs would be lost by the end of the year.

Mr. Holdsworth's anxieties echoed by Associated Engineering which also has strong links with the motor industry. Group interim profits were marginally ahead at £10.5m but the performance of the comparable period had been affected to the tune of £4.7m by the poor winter conditions of that year and the effects of the Ford and transport strikes.

Clearly, the disruption last summer and early autumn dented Associated Engineering's recovery prospects and the disruption of the steel industry for 13 weeks in the beginning of 1980 has also hurt.

Duport was able to put a figure on the cost of all this external trouble. The group calculates that it lost £3.7m for these reasons in the 14 months to the close of its financial year at March 31 and the subsequent cost of the steel strike and its aftermath have already trimmed profits for the current year by £2.4m.

Pessimism was uniform. Duport warned that it was unlikely to catch up after such a poor start to the current year; Lord Caldecote, the chairman of Delta Metal told shareholders at the agm that clear signs of a substantial fall in UK demand had been seen since last month.

Shareholders' meeting are obviously no place to find solace these days for Sir John King, chairman of engineering contractors Babcock International, also noted a marked change in ordering patterns in the last few weeks. Trading conditions, he said, are expected to be more severe than previously thought.

Small wonder, then, that engineering companies were floundering at the bottom of datastream's weekly compilation of share price performance. Automotive Products, APV, Associated Engineering, GKN, Lucas Industries and Delta Metal fell between 7 and 10 per cent over the week.

A step forward

In a far from cheerful week, news from Boots of a 7 per cent increase in profits to £121.3m was a rare fillip. Other pharmaceutical groups have been making depressing noises—most recently Fisons at this week's AGM—but Boots has been able to capitalise on the success of its Froben product.

The strength of sterling will make life hard this year but Froben launches are planned in West Germany and Spain, both major markets, while the drug is now in the phase of highest profitability. Drugs generally make most money between the third and sixth years of their life and Froben has now entered this period.

Boots should be able to outstrip the retail, as well as the phamaceutical, sector in the current year. Its product range is defensive and its centrally located stores will suffer less from a retrenchment in consumer spending than more peripheral outlets. Finally, it expanded floor space at a higher than average rate last year and the benefits of this should show through in 1980.

Boots may be better placed than many of its competitors, but still it has a fair share of headaches. On the industrial side, for example, competition to Froben is building up and export markets will be hard to penetrate.

Rowe's raiders

High price market raids may almost be commonplace but the controversy surrounding this method of fast share purchase has not abated. The Council for the Securities Industry and the Stock Exchange are both looking closely into this type of operation, with a view to a change in the rules.

Although such operations are not new to the Stock Market scene the present controversy was set off by the Rowe and Pitman raid on the shares of Consolidated Gold Fields. In just 1¼ hours on February 12 De Beers secured 16.5m CGF shares at 616p per share. This price compared with 525p before the raid and 510p after it.

De Beers bought its shares on a first come first served basis which inevitably meant that the institutions got the lion's share of the action.

Ten days before the De Beers raid Cazenove went into the market and bought a 29.7 per cent stake in Serck on behalf of Rockwell International. In this instance institutional holders, alerted to the position, sold at prices nearly 50 per cent higher than the overnight price.

Following the fuss over the CGF raid Rowe and Pitman amended its approach to this kind of operation. In its next raid — Revertex on behalf of Yule Catto — Rowe and Pitman informed each jobber and announced on the Stock Exchange display system the price and desired stake beforehand.

The same procedure was followed in Rowe and Pitman's two raids this week — Mining Supplies for Laurence Scott and Hong Kong Carpets for Carpets International — although in Laurence Scott's case the raid has turned into more of a retreat. After four days 60p had failed to flush out the desired amount of shares, and the offer closed yesterday, 2.6 per cent below the target.

MARKET HIGHLIGHTS OF THE WEEK

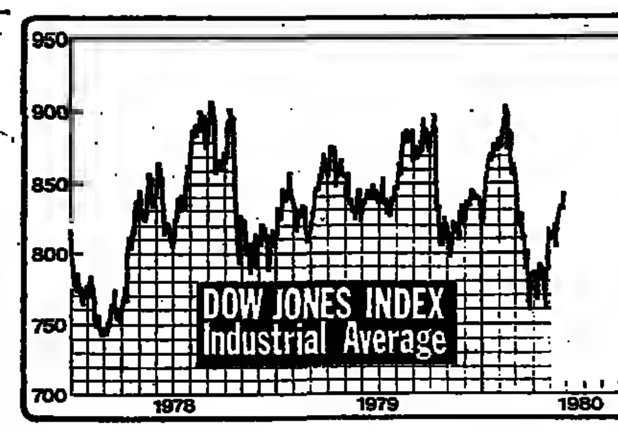
	Price Y'day	Change on Week	1980 High	1980 Low	
Ind. Ord. Index	423.3	−12.4	478.8	406.9	Gloomy company trading statements
Bass	222	− 8	238	188	Interim results due next Wednesday
Bridon	51	−15	78	51	Chairman's gloomy statement
Candecca	140	−20	164	76	Reaction in exploration stocks
Clifford's Dairies	130	−65	200	73	Unigate withdraws offer
Fidelity Radio	42	−11	86	40	Poor annual results
Fodens	38	− 7	45	25	Profit-taking after adverse comment
GKN	236	−28	279	236	First-half profits warning
Home Charm	106	−14	154	102	Chairman's profits warning
ICI	358	−22	402	353	Narrowing profits margins
Keyser Ullmann	70†	+ 6	73	55	Bid approach from Charterhouse
Kloof Gold	£12¼	− ¾	£15⅞	£10¼	Fire affects production
Laurence Scott	60	+14	63	42	Mining Supplies acquires stake
Lucas Inds.	202	−22	264	201	Poor outlook for motor ind.
Polly Peck	57	+21	57	6	Revived speculative support
Press (Wm.)	23¼	− 6¼	32	23	Poor priliminary results
Readicut	17	− 7½	32	17	Reduced annual dividend
Redman Heenan	58½	− 7½	68	55	Poor interim statement
Steaua Romana	36	+21	36	11	Hopes of asset injections
Tube Invs.	246	−18	312	240	In sympathy with GKN

†Price at suspension.

Wiping out the gloom over Wall Street

NEW YORK

IAN HARGREAVES



THE FED'S decision to ease some of the swingeing credit measures instituted in March came as a fitting climax to a week when declining interest rates had already bolstered investor confidence.

The Dow's steady advance has now brought it to a two-months high, wiping out the gloom of late March and April.

The drop in rates has been truly spectacular, confounding analysts who have given warnings that rates would stay high after the peak because financing needs would persist on a strong level.

Although the prime rate makes the headlines, it only tells of a small part of the story.

While the prime has slipped 5 points in as many weeks, it has been left far behind the zooming money markets. Treasury Bill rates have been halved, long-term Treasury bonds are down to 10 per cent, and Corporate issues down from the mid to low teens.

By rights, the prime should already be at 11½ per cent, but the banks are dragging their feet, presumably out of concern for their margins. By mid-week it had become obvious that the Fed would have to dismantle some of the complex credit mechanisms it had established only 10 weeks ago: rates have moved much faster than expected, and the economy was in danger of slipping into a far worse recession than anyone wanted.

Excitement about some kind of easing reached fever pitch on Thursday and accounted for the largest rise in the Dow that day. At one point, the Dow was at 16 points.

But the Fed's announcement came that evening, after the markets had closed and was much more sweeping than had been generally expected. Instead of consisting of a cut in the discount rate, it included an easing of most of the main credit curbs introduced in March—bank reserves, consumer credit and Money market funds.

But possibly most significant was the decision to grant special relief to the deeply depressed auto and housing industries by allowing banks to increase their lending to these sectors, over and above the Fed's required (though not mandatory) limits. There was also special dispensation for farmers, small businessmen, and energy conservation.

Although the Fed insisted that none of this marked any fundamental change in policy, it was clearly moved to act by concern over the direction taken by the economy.

Whether this easing will help the economy down to a soft landing remains to be seen. But the chances are obviously better now. There is bound to be criticism, of course, that the easing is political, and even premature, given that inflation is still roaring ahead.

But if the Fed was looking for arguments to support its actions, it could also point to yesterday's consumer price figures which increased much less fast than the previous month.

Economic prospects are now slightly brighter. There could be a revival in the car and construction industries, both of which influence large sectors of the manufacturing industry — engineering, chemicals, electrical goods, furnishing, etc.

At the same time, the decline in interest rates makes stocks much more competitive with bonds by evening out the yields.

As for the market itself, this week saw strength across a broad front. Energy stocks moved again, thanks to the new oil price increase initiated in the Middle East. Coal stocks, steel and defence issues benefited as well.

Looking ahead, it is clear from what the Fed did this week that it sees its role as guardian angel of the economy, a role that the White House has apparently eschewed given that it has refused to contemplate any form of stimulatory tax cuts.

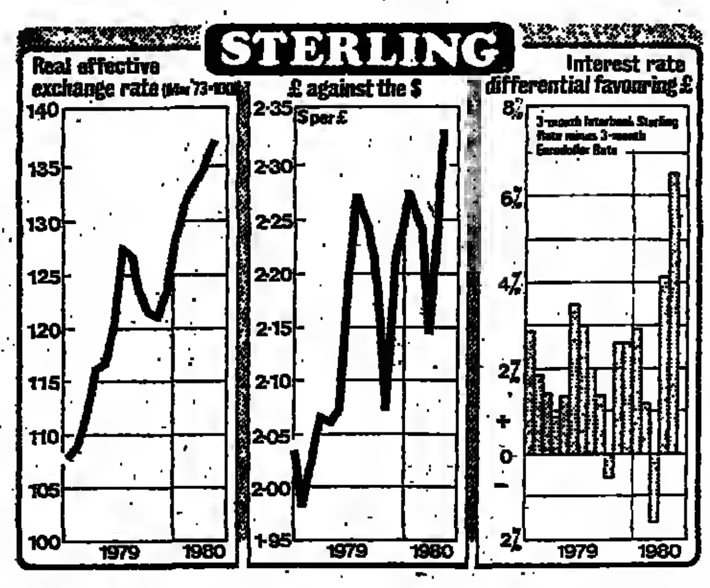
If the economy fails to pick up, there is still a lot the Fed can do to make life easier: it can unwind more of the March measures, either in general or to favour specific area of the economy as it did this week.

It has still to bring down the discount rate, though it may hesitate to do that while the dollar is so obviously under pressure abroad.

Given this nursing, the stock market may well take heart and consolidate this week's gains in the days to come.

Monday	830.89	+ 4.10
Tuesday	832.51	+ 1.62
Wednesday	831.06	− 1.45
Thursday	842.92	−11.86

Sticking to the monetary guns



FIRE AND brimstone was served up to an audience of Tory ladies last Wednesday by Mr. John Biffen, the Chief Secretary to the Treasury and one of the main monetary hardliners in Mrs. Thatcher's government.

He told them that they faced a "protracted winter of discontent"—belt-tightening, high interest rates and austerity in the months ahead.

Mr. Biffen's frequent prognostications of gloom, seldom delivered in anything more cheering than a lugubrious growl (which none the less produced rapturous applause from the Conservative Women's Conference), make him the Darth Veder of the Treasury team.

Last week, however, he was doing nothing but repeating the familiar theme stressed during the past fortnight both by Mrs. Thatcher and Sir Geoffrey Howe, the Chancellor: there will be no let-up in the Government's tight monetary policy. In spite of mounting unemployment, a severe financial squeeze in the corporate sector, and the start of a deep recession, Minimum Lending Rate looks unlikely to come down from a record 17 per cent at least until well into the summer.

The steely-jawed determination of the Government to stick to its monetary guns—at a time when interest rates in the U.S. have been plummeting—provides one of the two principal reasons for the astonising strength of sterling.

Last week the pound rose to above $2.33 for the first time in five years. Even more remarkable, it was also at the highest point for almost five years against a trade-weighted basket of currencies.

The other main factor, of course, is sterling's status as a petro-currency. Last week saw a further round of price rises by the main producers within the Organisation of Petroleum Exporting Countries. This is certain to work through to a further increase in revenues from North Sea Oil, a substantial prop to the current account whatever happens to Britain's rapidly deteriorating trade balance in manufactured goods and invisibles.

To foreign investors—particularly the OPEC nations themselves seeking homes for their supply revenues — oil-backed monetarist-managed sterling is the perfect energy hedge.

The interest rate gap between equivalent sterling and dollar deposits is now around 7½ per cent (even higher than it was during the dark days of 1976). Further exchange rate gains are on the cards if political tumult continues in the Middle East.

The Bank of England is still holding back from stern intervention to keep the exchange rate down. And it would surely go against the Prime Minister's free-market principles for the Treasury to slap on Swiss-style inward exchange controls—particularly because they probably wouldn't work anyway.

For the foreigners who have been piling into gilt-edged stock and sterling deposits, the rising gap between inflation in Britain and the rest of the world—normally the supreme arbiter of exchange rate movements—is of very little significance.

Over the past 12 months a new and thoroughly irrational law of economics appears to have been in force. The annual rate of retail price inflation has gone up steadily by, on average, one percentage point a month (reaching a four year high of nearly 22 per cent in April more than double the figure 12 months before)—and the trade-weighted value of the pound has also increased sharply. The Bank of England's effective index for sterling on Friday afternoon stood at 74.1, 11 per cent up on May last year.

As a result, the real trade weighted value of sterling—taking into account inflation differentials with the rest of the world—has risen even more dramatically than the nominal rate. According to the index of real effective exchange rates prepared by Morgan Guaranty the real appreciation of the pound during the last year has been a staggering 18 per cent.

This gives a good indication of the substantial loss of competitiveness of British exporters during this time—and explains why the Confederation of British Industry is complaining about the pips squeaking.

It also helps to explain why bank lending to the hard-pressed corporate sector is still expanding strongly—and why the Bank of England has to keep up interest rates to achieve its monetary target.

The vicious circle seems likely to be broken only at the cost of companies cutting costs by laying off more workers. But that, too, will not be of any great relevance for the foreign purchaser of 13¼ per cent Treasury 1992.

DAVID MARSH

Bank draft not presented

BY OUR LEGAL STAFF

Over a year ago I bought from my bank a draft for £750 made out in favour of a retailer to whom I handed it for the purchase of a fur coat. This draft has never been presented and as far as I can make out the firm has gone out of business and cannot be traced. I suggested to the bank that my account be re-credited with the sum involved, and I would, of course, guarantee the money again if needed, but they refused. What, please, is the legal position?

We think that the bank is correct. You purchased the draft i.e. substituted the bank for yourself in terms of liability to the trader from whom you purchased. If the trader has omitted to present the draft the benefit accrues to the bank, which had assumed the entire burden of your contract with the trader.

Responsibility for repairs

A terraced house is let on a modern registered rent having been up-graded by bathroom addition, etc., by means of a grant, bringing it from a ... ... controlled tenancy situation with the original tenants continuing, such that the landlord remains responsible for all repairs other than internal decoration and window glass. What redress can be sought were year after year the landlord is made to honour his obligations but the tenant never raises a finger to perform his half of the bargain?

You can seek to obtain possession of the house (once any contractual tenancy has been determined) under Cases 1 or 3 of the 15th Schedule to the Rent Act 1977. While it is unlikely that a possession order will be granted, the effect of a claim for possession is likely to be that the tenant will be required to effect any internal repairs which constitute any serious dilapidation. We think that the putty is partof the necessary ancillary work to fixing the glass, and would be the responsibility of whoever is responsible for the window glass.

Doing a 'Bed and Breakfast

I read recently a reply in your columns about doing a "bed and breakfast." I am a resident in Malawi and have made a big paper loss on some government stock I hold. Can I make any use of this scheme? Just what is the object of "bed and breakfast?"

No: bed-and-breakfasting is of no use to you. It is a method of establishing a loss (or a gain) for the purposes of UK capital gains tax, in order to offset a gain (or a loss), or of establishing a higher CGT base cost, without having to surrender one's stock or share certificate. Briefly, it means selling in the afternoon and making an identical purchase the following morning. It does not work for gilt-edged securities—nor does the converse operation, which is known as double banking (buying one day and selling the next). In any case CGT does not apply to those not resident or ordinarily resident in the UK.

A non-resident and VAT

I have been abroad since 1974 and have retained a residential property in England which I have let from time to time during this period through an estate agent. During this period the fees which my estate agent charged have been zero rated, but on my statement for the quarter ended March 31 1980, my agent has charged for arrears of VAT back to January 1, 1978. Could you please advise whether there has been any change in the VAT legislation which now requires estate agents to include VAT on bills for lettings where the client is overseas and is it in order for my agent to now recover past arrears from me?

We confirm that as from January 1978, an estate agent in the UK who charges fees to a non-resident for looking after property here has to account to the Customs and Excise for VAT in respect of his charges. Obviously if the estate agent does not increase his charges by the amount of VAT, he will be out of pocket. However, it may be that he is not entitled to make an increase in respect of his fees charged to you in the past. We suggest that you ask him for his authority for doing this and point out that the VAT is his liability and not yours.

Valid oral contract

When a director, part-time, which I no longer am, I made an oral agreement with the managing director to forego part of my fee one year on the understanding that it would be made up later, when profits were larger. It has not been, and the managing director now denies the deal. Assuming my word were taken rather than his, the stumbling block to my case appears to be the absence of any authority to pay a directors remuneration other than with the assent of a general meeting (clause 76 of Table A applies). Do you think I could enforce my claim?

If your evidence were accepted, it would amount to an oral contract to remunerate you at a higher level in an ensuing year (so as to make up the fees foregone) if the profits in the ensuing year were sufficient to support that level of fees. Such a contract is valid and its breach can be compensated in damages. However, as you say, the difficulty of establishing your claim on oral evidence alone is likely to be considerable.

Maintaining a party wall

I live in a semi-detached cottage. The two houses were originally divided externally in the yard at the back of the cottages by a wooden fence which was in fact a party fence which we had to maintain because the posts were on our side. When we developed our cottage 10 years ago, we took down the fence and built the wall of our development up to the line of the posts. The then owner of the other cottage insisted that we took on the job of maintaining the wall on his side and in fact we agreed in the local court to paint and keep in a good condition the wall. In turn we were allowed access to the wall on the neighbours side to the roof of our develpment of which the wall is a part. We were also allowed access to not only paint the wall as the neighbour insisted but also to repair by pointing, etc., and erecting scaffolding to do the jobs.

Our new neighbour wants to attach a dwelling to our wall, to which we object. In the past we had to maintain the fence. Does not that mean, that even if the wall is legally a party wall we still have the legal obligation arising from the fact that the posts of the old fence were on our side, to maintain the wall, as if it were still the fence? Finally, can we insist on maintaining the wall if that is our duty?

We cannot advise fully without knowing the precise terms of the agreement entered into in the court proceedings. It seems that you acknowledged that the wall is a party wall in which case the new neighbour could use it to support his structure provided that he does not impede your carrying out the maintenance required or permitted by your agreement. Any obligations will arise not from the position relating to the old fence but from the agreement reached in the court case. We think that you can insist on its

Paying off a mortgage

With reference to your reply under "Paying off a mortgage" (April 19), I have a freehold property I paid off in October, 1973. The Mortgage Deed was sealed and stamped as acknowledgement of having received all moneys intended. I did this paying off myself and hold al deeds, etc. However I did not know about this Land Registry business. Need I do anything?

If your mortgage is receipted with a full receipt, as it appears to be from your description, that is all that you need where the land is not registered land (i.e. where the title is not registered at H.M. Land Registry). It is only for registered land that you need to have the discharge recorded by the Registrar. In the unlikely event that your title is registered you should be able to procure the Registrar to exercise his discretion to register the discharge without a Form 53.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

The cost of swapping

INSURANCE

JOHN PHILIP

HOUSE SWAPPING at home and abroad is a well established, and often economical method, of finding a holiday home.

Such arrangements can also involve the participants in exchanging cars, particularly when they are flying and not driving to their respective destinations. Are there any insurance problems?

Suppose, for example, I want to exchange my home and car so that my friend Jacques and his family, can have a month visiting London and exploring the rest of England, while I enjoy the use of his home and car in Provence.

Leaving aside the insurance problems in France, and just concentrating on cover here in Britain for my house, belongings and car while Jacques is in control, several questions come to mind.

Do I have to tell my insurers what I am doing, will I suffer any restrictions in cover, and will I have to pay any additional premium?

In strict insurance law an exchange of home, car, or both, must surely be a material fact, about which insurers should be informed. However, few policyholders intending to exchange homes ever think to tell their insurers though rather more policyholders arranging for car exchanges do seek advice from brokers or insurers, either because of general anxiety over motor insurance or by reason of driving or other restrictions in the particular policy.

Dealing first with home insurances, buildings and contents, many insurers say home exchanges do not worry them unduly, and some argue that it is better to have the home occupied by friendly and, hopefully, careful visitors, then left completely unoccupied for the holiday period.

On the other hand some modern proposal forms do ask questions about the use of the property as a holiday home, and quite clearly where this kind of question is asked, insurers have in mind the possibility of taking some positive rating or underwriting action if given an affirmative answer.

So opinions and practice vary, and the only sensible advice to any policyholder thinking of a home exchange is to check with his insurers. If they do not want to know, all well and good. Conversely if they do want details then may be future trouble has been averted probably at minimal cost.

All contents policies provide cover against "theft or attempted theft," and this is normally sufficient to cover losses caused by walk-in thieves as well as losses following any breaking in.

But all contents policies restrict this theft cover in various ways, and one normal exclusion operates while any part of the home is let or lent; at such time crime losses are insured only when force has been used to effect entry.

In this way insurers aim to avoid payment for what might otherwise be called "inside jobs." And usually insurers are reluctant to modify this exclusion—though it may be worth asking.

An exchange of cars poses more problems, because motor insurers are much more sensitive about changes of risk, and many underline this by incorporating in their proposal forms a declaration to be signed by the proposer promising to notify any change of risk as soon as it occurs.

Against this, the motorist whose policy has no driving restrictions can allow any licensed driver to use his car for pleasure purposes. Moreover both he and the driver can enjoy the full protection of the policy. So if I do not have to tell my insurers when I let my neighbour use my car for the weekend why should I have to tell them when I intend letting my friend, Jacques, have my car for a month?

There are perhaps two points here. First, while I am at home, in the ordinary course of events I am likely only occasionally to let the car to anyone outside the immediate family.

By contrast, while I am abroad, Jacques, will have exclusive and continual use.

Secondly, he is a foreign driver and however good his record, unused to British roads and traffic conditions. Were he to seek motor insurance in his own right, and not on the back of my policy, he would doubtless have to pay substantial premium and accept restricted cover.

I think that giving a foreign motorist exclusive use of one's car, not just for a day but for a holiday month, does involve a change of risk which insurers are fully entitled to consider.

Even when they have full details of his driving record and consider it satisfactory they may well want extra premium, they may well want to impose an excess on the damage cover, or increase one agreed already. In an extreme case, where the visiting driver has an unsatisfactory record, or the exchange car is an expensive high performance model, they may even refuse cover altogether.

Arguably, the practical answer then is not to complain, not to seek cover elsewhere (because it will probably be very expensive), but to take insurers underwriting sagacity as a warning and abandon altogether the idea of lending one's car.

Of winds and currents

MINING

KENNETH MARSTON

IF YOU are unfortunate enough to find yourself in a sailing boat in mid-stream where there is little room for manoeuvre and the wind is blowing against the current, you tend not to go anywhere in particular. Mining share markets seem to be undergoing a similarly frustrating experience at the moment.

South African gold shares are a good example of this. On the one hand the wind of uncertainty continues to blow over the bullion price and the emergence of an independent Zimbabwe with a socialist regime could fan fears of future political problems in South Africa.

But this week share prices have tended to edge forward, mainly because the current of rising dividends continues to flow strongly—the market is looking forward to the June declarations which will be coming along in about a fortnight's time—and after its fall from the January high of $850, the gold price is holding steady at just over $500, a very satisfactory level for the producers.

What of base metals? Share-markets are quick to anticipate winds of recession, or recovery, and the leading mining finance stocks, for instance, are well below their peaks reached earlier this year. At the same time, however, they are still above the levels at which they began in 1980.

As you can see from this week's set of graphs, prices of the leading base metals have also taken a sharp knock this year. If they do not develop further pronounced weakness, earnings of the producing companies should still compare favourably with those of 1979. The eventual economic recovery will bring a sharp increase in earnings, of course.

What we don't know is how far share and metal prices have discounted the recession and how long the latter will persist. What we do know is that if shares of sound resource companies were bought as a long-term investment, the reasons behind that decision still hold good. And with inflation careering ahead, any further falls in share prices must present good buying opportunities for the long-term man.

Looking to the long term America's Amax natural resource giant (in which Selection Trust holds 7.56 per cent) has announced this week that it is making a $200m (£86m) acquisition of certain of the phosphate rock and chemical interests in Florida of the Borden company.

Including a phosphoric acid complex and a defluorinated feed phosphate facility, they will fit in nicely with last year's acquisition by Amax of more than 23,500 acres of phosphate rock-bearing land in central Florida.

An even bigger long-term project is being considered by London's Rio Tinto-Zinc. The group has disclosed that it is having talks with the Panamanian Government on the possibility of taking up a 40 per cent stake in the £819m Cerro Colorado copper project.

This one has been hanging fire for years now owing to lack of agreement with the previous potential developers—Texasgulf, which had a 20 per cent stake, decided to pull out only last month—and the low level of copper prices in the past.

Although Cerro Colorado is one of the world's major copper deposits with some 2.2bn tonnes of ore, the metal content averages only about 0.7 per cent copper and 0.015 per cent molybdenum. Then, too, it is situated some 4,000 feet up on the mountainous backbone of western Panama, about 160 miles west of Panama City.

Clearly it will be a costly operation with the need for a complete infrastructure which will include a new port. One advantage of this "mountain mine," however, is that it will be able to make use of relatively inexpensive hydro-electric power.

Also important is the fact that the Panamanian Government, which is likely to reduce its stake in the project from 80 per cent to 60 per cent, is particularly anxious to get things moving after the long wait which has followed the original drilling by Canadian Javelin back in 1971.

Another potentially big mining venture which has suffered from lack of agreement and the resulting delays is the Malaysian Kuala Langat tin dredging area in Selangor. Covering some 4,000 to 5,000 acres, it was prospected by Charter Consolidated in the early 1970s and the group feels fairly sure that the tin mineralisation extends into a much larger area, totalling some 40,000 acres.

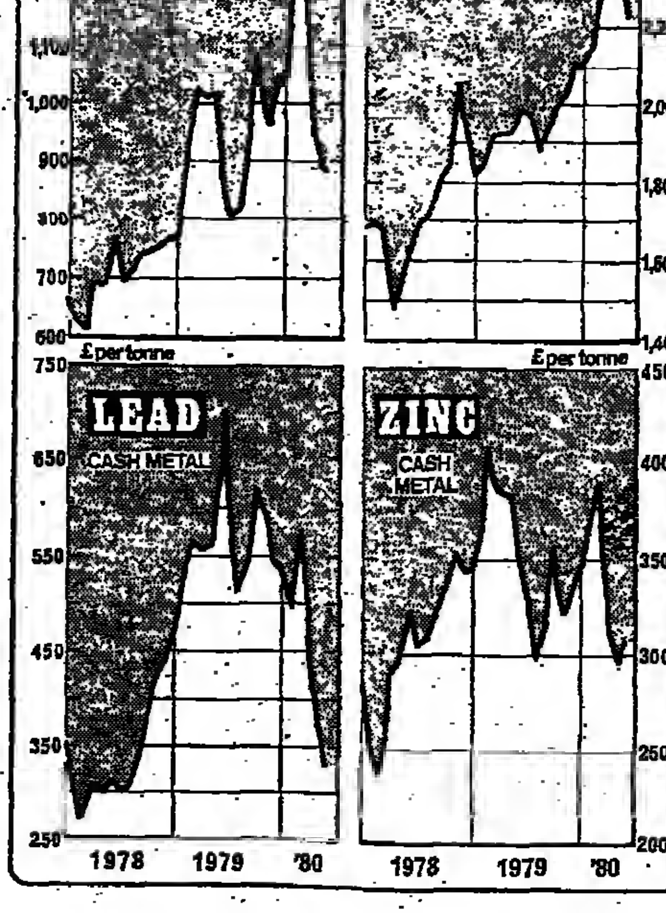
There could thus be the potential for a new mining field to rival the famous Kinta Valley. But this remains to be seen and the smaller area is important enough. After a series of disappointments, mining and government circles are now hoping that on June 21 the necessary agreement will be signed between the Selangor State Government, which would have a stake of 65 per cent in the venture, and Malaysia Mining Corporation with the rest.

Charter will probably be reimbursed for its earlier prospecting work but is unlikely to be given a direct stake in the big venture. However, the London group will retain an indirect interest via its 28.6 per cent holding in MMC.

Kuala Langat hopes to become the world's deepest tin dredging venture because the tin mineralisation lies beneath a cover of overburden some 150 ft thick. The mineralisation varies in thickness between 100 ft and 200 ft.

Because of the economics of the operation, only part of the overburden will be stripped before dredging commences. For the most part mammoth new dredges will be required to dig through the overburden to the tin. That will mean them operating to a maximum depth of 350 ft, whereas the deepest digging dredge in Malaysia at present operates down to about 235 ft.

Fortunately the tin grade is good for these days at over 0.2 katis (a kati equals 1¼ lb) per cubic yard and financing should present no great problems. At least three dredges would be needed and the period from construction to first operations would be 2½-3 years. Meanwhile, fingers are being kept crossed in front of June 21.



Letting your castle

TAXATION

DAVID WAINMAN

TAX HAS BEEN, in the form of various tax reliefs rather than liabilities, a potent influence encouraging over the years ever more people towards home ownership.

But this concentration of so much of his energies on the acquisition of his castle is now widely recognised as being one of the Englishman's debilitating diseases. Acceptable it might be in moderation—but moderation has been shown during the last 30 years or so not to be compatible with those tax reliefs, let alone the other economic factors which over-inflate the housing market.

Relief for mortgage interest in always said to be the most valuable of the tax reliefs. But against the movements in house prices which we have seen in the 15 years that capital gains tax has been in existence, the relief from that tax should not be overlooked.

The Chancellor did not find it possible this spring to undertake any major reform of capital gains tax—and it is against the background of that inaction, as well as the market distortions referred to earlier, that we should see the limited change he did propose for housing.

He announced, and clause 74 of the Finance Bill embodies this proposal, that a house-owner's gains tax exemption would not be jeopardised by his letting part or all of his property during some part of his period of ownership. More flexible use of the country's housing stock is the slogan.

The proposed legislation is, in fact, rather more complex than that excerpt from the Budget statement might lead one to suppose. The existing position is that as a result of any letting activities, a fraction of the owner's total gain would be chargeable: section 103(2) of the Capital Gains Tax Act 1979 refers to cases in which there have been changes "in what is occupied as the individual's residence, or . . . as regards the use of part of the dwelling house . . . for any other purpose," and allows the Commissioners to devide the total gain into chargeable and exempt proportions.

If the taxpayer had let one quarter of his accommodation for periods totalling one-third of his total owenrship, one-twelfth of his gain would have been chargeable. That last fraction is arrived at by multiplying the previous two.

And it is perhaps worth underlining that it is the whole period of ownership that is looked at, even though the Revenue accept that up to 24 months may be the time taken by the owner in selling the house at the end of his ownership.

The Revenue are thus reasonably generous in being willing to continue the exemption despite the owner's having moved elsewhere. That 24 months has long been a Revenue concession, and is now made official in the Finance Bill.

There has in the past been some understandable confusion between the loss of relief which results from the taxpyer's letting his house if he is absent from it, and the seemingly contradictory provisions designed to preserve his exemption through those absences. The existing legislation refers to two quite different types of absence.

If the taxpayer is required by his job to live in "job-related accommodation" (the vicar in his vicarage is the example always quoted), then bet can do anything he likes with his house, including letting it, without losing his capital gains tax exemption.

Other houseowners are entitled only to "periods of absence," and as we will see, have less room for manoeuvre during them. Up to three years absence is permitted in all cases, and additionally those who work wholly abroad can be away without itme limit during their employment, whilst those working elsewhere in the UK can take four years.

But the necessary characteristics of these periods of absence are tightly defined. Not only must the taxpayer occupy his house both before and after each absence, but during them he must have no other house for which he could claim capital gains tax exemption. (By concession, those whose work prevents them from re-occupying the house after a period of absence, do not lose their exemption). However the restriction which has in the past tended to sink the letting, but not job-related; owner is more basic. He cannot claim that the Revenue should ignore his absence from "his dwelling house," if what he is absent from fails to meet that that definition during his absence.

The Revenue must first make the apportionment based on the use of the property between that part chargeable and that part exempt—the latter being only that part of the house which can throughout the owner's absence still be described as "occupied" by him. (Contradictions in terms are sheer delight to the Revenue.) Only when this has been done do they look again at the exempt proportion to see whether it needs further restriction beause the permitted periods of absence have been exceeded.

This view of their priorities leads the Revenue to distinguish those (normal) lettings in which the landlord gives up his right to occupy part or all of the accommodation from those other arrangements where he can be said not to have ceded his rights to occupation.

The employee sent abroad to work may achieve this latter position by "letting" his house during his period of absence on such terms that he can get his tenants out whenever he returns. In this case the Revenue treat him as never having changed "what is occupied as his residence." Therefore there is no call for any prior apportionment between chargeable and exempt.

The good news in the Chancellor's proposals is that where a house is sold after April 5, 1980, and part of the gain would have become chargeable under the rules explained above, it may now be reduced or exempted. A gain arising from the letting of the house or part of it, is to be freed from tax up to the lower of £10,000 and a figure equal to what the normal private residence exemption would have been on the previous basis.

The bad news is that one still has to work all the way through those old rules in order to show the Inspector just what the exemption exempts.

UNIT TRUST AND INSURANCE OFFERS

YOUR SAVINGS AND INVESTMENTS

Tim Dickson looks at Citibank's new service in Britain

Stepping out in the high streets

A NEW and potentially powerful force in UK retail banking emerged this week with a savings and loans service by Citibank NA, one of the world's largest banking organisations.

Citibank's move reflected its policy of aggressively entering the retail savings market outside the U.S. Through Citibank Trust, its subsidiary, it is boldly stepping into Britain's High Streets, traditionally the preserve of the clearing banks and building societies.

Seven branches of Citibank Savings, as the new service is called, have already opened in the Midlands and according to Mr. Barry Burkholder, managing director, consumers in this region now have "a brand new choice."

Broadly speaking, the Citibank package looks attractive to savers, but not so enticing to borrowers. Its main feature is what it calls a "tandem" account, essentially a combination of a modified current account and a loan account.

It differs from a conventional current account because customers have to pay a regular monthly subscription (minimum £5) into their tandem account. Furthermore, a standing order service is not being offered. On the other hand, as long as the regular commitment is fulfilled, savers will be paid interest (currently at 13.2 per cent per annum) and at the same time will be able to borrow up to 30 times the value of their monthly subscription.

By paying interest on a quasi-current account Citibank is therefore breaking with the traditions of UK clearing banks. But there is a sting in the tail for borrowers — interest is charged currently at 28.3 per cent per annum, considerably more than you would pay elsewhere for an overdraft or personal loan.

Citibank is also offering "The Bonus Deposit Account." This pays interest at 15 per cent basic —identical to the return on a seven day deposit with the clearers and equivalent to the grossed-up return offered by building societies on ordinary shares.

Citibank, however, is paying more for larger amounts—a balance of more than £500 attracts an extra ½ per cent, more than £1,000 brings in a further ½ per cent and more than £2,000 an added one per cent (i.e. 16 per cent at the moment) UK banks by comparison only quote higher rates for much larger sums, generally over £10,000.

Money from the Citibank Bonus Deposit Account is available on demand and, most significantly perhaps, interest can be paid net or gross. UK clearing banks pay only interest gross, and building societies always pay it net of basic rate tax.

The Rising Rate Savings Plan. This is aimed at those who want to save a regular amount each month and is closest in concept to the building society subscription share. Banks have nothing comparable.

An extra ½ per cent above the basic rate (15 per cent at the moment, though this will change with market conditions) is paid when more than £250 has been accumulated and an extra 1 per cent when the balance exceeds £1,000. Again there are no restrictions on withdrawal.

Building society subscription shares at these rates look a rather better bet, though investors usually cannot withdraw money until they close the account. These generally pay 11.75 per cent (16.79 per cent gross) right from the outset. Here there tends to be a maximum monthly investment of between £50 and £100.

The capital accumulator. This is a lump-sum account where the interest rate increases year by year as long as you keep a minimum balance of £500. It is similar to the building society term share, although investors with Citibank do not have to nominate a term—there is therefore no time restriction on the deposit.

The interest rate starts at ½ point above base rate on day one, rising to 2 per cent above in the fourth year. It therefore looks attractive in the early days but not such good value compared with building societies if you are determined to stay the course.

The Building Societies Association recommended rate for four-year term shares, for example, is currently 12 per cent net (equivalent to 17.1 per cent gross) throughout the period.

Personal loans. These are just like a personal bank loan—a lump sum paid back in monthly instalments — except that they are a good deal more expensive. Interest is charged at a true annual rate of 27.3-28.4 per cent, against the 21.6 at National Westminster, which is typical for the UK clearers.

Homeowner loans. These are for larger sums up to £5,500 to be used for modernising property, buying furnishings or putting up an extension. Borrowers have up to 15 years to repay and interest is charged at an annual rate of 28.3 per cent.

Assuming you are able to persuade your local manager to grant you the money, however, building societies offer much cheaper home improvement loans—interest is paid at the normal building society rates (15-16 per cent).

Among the banks National Westminster is one which grants home improvement loans over ten years at true annual rates of between 17.47 and 21.6 per cent depending on the length of term and security offered.

Mortgages. This is an area where banks are just flexing their muscles. Lloyds, Midland, Williams and Glyn's and the Trustee Savings Banks are already in on the game in a small way while NatWest and Barclays are currently limbering up on the sidelines.

Citibank rates over 25 years are worked out on a sliding scale of between 21.6 and 25 per cent, though to be fair if calculated in the same way as building societies calculate these rates would be 19.8 and 22.5 per cent. This does not compare unfavourably with UK banks which are tending to charge 2½-3 per cent over clearing bank base rate (that is about 19½-20 per cent).

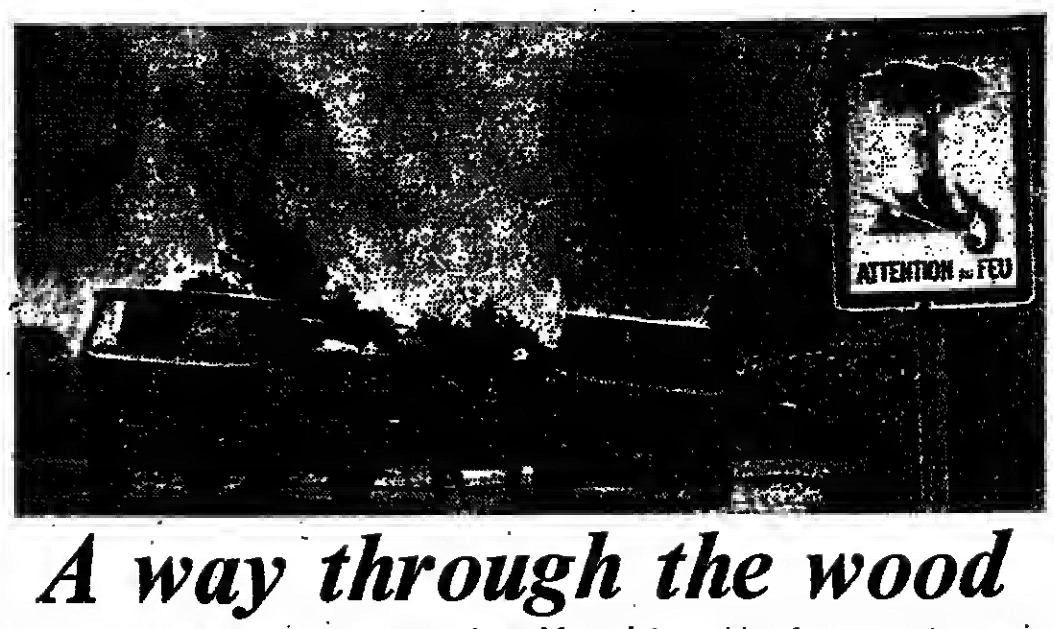
The TSB, though, is the most attractive source for loans after the building societies—interest payable is about 16½ per cent.

Bank and building society branch managers will no doubt be keeping more than a weather eye over the next few months on developments in the Midlands.

Citibank at the moment is putting only its toe in the water, although it claims to have carried out extensive market research before launching these projects. Certainly the vast number of building society schemes is distinctly confusing and customers may be attracted by the relative simplicity of Citibank's range.

The interest being paid on tandem accounts will also no doubt catch people's imagination. Of course the UK banks claim that many of their customers are already getting a return on their current accounts in the form of notional interest offset against bank charges.

For all its size Citibank is not a household name in the UK. So it will have to show that in practice its service is better than that of its more established competitors.



A way through the wood

SHORT OF lighting your pipe with a £5 note, the best way of watching money go up in smoke is to buy woodland and forget to insure the timber.

An estimated £1m of timber has been destroyed in the latest forest fires in Wales and while most of this was at least partly insured, there are still stories of some who had overlooked this vital requirement.

One man, for example, who had carefully seen to his other needs, is believed to have lost £20,000 when his trees were burned to the ground.

There are two main types of woodland insurance — windblow and fire. According to Lloyds brokers Derek Bryant, windblow covers such cases as roots being blown out of the ground and broken branches which causes the quality of the timber to be impaired.

Fire also covers damage by lightning and aircraft—the latter can do considerable harm in a crash. Premiums tend to work out at about £10 to £15 per £1,000 insured for each type of cover, though the exact amount will depend on the woodland economists survey and the precautions taken by the insured.

About 4m acres of commercial forestry can be found in the UK, roughly divided between the Forestry Commission and private individuals. Much of this is under the supervision of management companies such as Economic Forestry and Fountain Forestry, who provide "group" cover for their clients and update the basis of valuation each year.

Many others, however, are apparently under insured or not insured at all.

T.D.

Local radio—a sound investment

THE ISLE is full of noises. Britain's newest commercial radio station, Mercia Sound in Coventry, began broadcasting yesterday to join 21 counterparts from Plymouth to Edinburgh.

That total will rise to 40 as the Independent Broadcasting Authority parcels out the remaining franchise areas currently on its books.

Local radio is booming. Last year saw gross advertising revenue reach £44.6m against 1978's £29.9m, and the first quarter of the current year has turned in a record £9.9m. The current phase of expansion will take commercial radio to over 80 per cent of the UK population. It now attracts around 3 per cent of national advertising expenditure.

The example of other countries where advertisers have become more accustomed to the medium nation-wide indicates that the local radio percentage of advertising "spend" could rise towards double figures, argues Mr. Tony Stoller, director of the Association of Independent Radio Contractors.

The industry had a few nervous moments in its early days. The London Broadcasting Company (LBC, a news station) is still paying off early losses, with a reserve debit of £1.4m at the start of the current year.

Most stations lose money for the first two or three years of operation. But the track record is now distinctly encouraging. All established stations are trading profitably. Most pay dividends, often rewarding shareholders with strikingly generous yields when the lean years are over.

THE ESTABLISHED INDEPENDENT LOCAL RADIO STATIONS:
Profits and dividends for the last two years

Station	Profits (£) 1978	Profits (£) 1979	Dividend Yield (Net) on issue price 1978	Dividend Yield (Net) on issue price 1979	Area Population
DOWNTOWN Belfast	86,822	208,504	nil	11%	1.3m
BRMB Birmingham	326,000	507,000	25%	32½%	2.8m
PENNINE Bradford	22,016	90,519	nil	7½%	1m
FORTH Edinburgh	97,654	206,163	nil	nil	1.5m
CLYDE Glasgow	428,010	432,808	30.8%	40%	2.7m
ORWELL Ipswich	45,202	49,121	nil	nil	0.6m
CITY Liverpool	337,410	233,775	21%	21%	2.9m
CAPITAL London	1.865m	3m	n/a	n/a	12.4m
LBC London	326,000	528,000	nil	nil	12.4m
PICCADILLY Manchester	391,399	608,565	70%	143%	3.9m
TRENT Nottingham	45,721	170,763	nil	nil	1m
PLYMOUTH	44,157	49,645	nil	15%	0.3m
VICTORY Portsmouth	27,229	90,288	nil	nil	1.1m
210 Reading	74,198	59,938	nil	12.5%	0.6m
HALLAM Sheffield	152,917	217,329	nil	30%	1.3m
SWANSEA	61,202	85,065	nil	14%	2.7m
TEES	100,560	83,237	20%	20%	1.4m
METRO Tyne	181,506	278,892	nil	25%	1.9m
BEACON Wolverhampton	60,229	27,264	5%	5%	1.7m

INVESTMENT
ROBERT COTTRELL

Investing in one's local radio station looks on the face of it a commercially attractive proposition for medium-to-long-term money. There are, however, a couple of unusual features to be borne in mind.

Local radio franchises are held on three-year terms, rolled forward annually.

There is no guaranteed future. Nor will local radio ever produce a profits bonanza: the IBA takes an earnings-related slice of income from the most lucrative stations, termed "secondary rental." Primary rental is paid by all stations for use of the IBA-owned transmitters.

Such an investment, then, is not the first choice for family funds. But it can be rewarding both financially and in giving a sense of involvement with local community life: an alternative to the football team for the prosperous local businessman.

None of the local radio companies is quoted, and few shares have changed hands after issue. It is necessary to be in at the beginning, and keep an eye open for issues such as that proposed by Moray Firth Radio, currently seeking £250,000 to start broadcasting from Inverness.

Moray will have the smallest listening population — an estimated 140,000 — of any ILR station so far, and profitability tends to be higher among the larger stations. But on its own very tentative projections, Moray hopes to be making £75,000 profit in 1985, after an initial two years in loss.

Jumping the bed queue

QUEUES are a way of life. But the National Health queues may become longer and longer.

In the present climate of Governmental attempts to control public expenditure, one cannot see these queues being reduced in the near future.

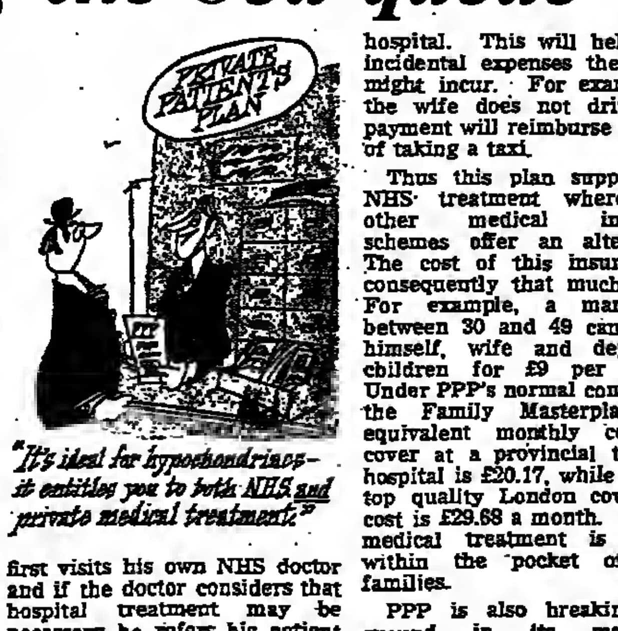
To enable people to short-circuit these queues, the Automobile Association last June launched the AA Hospital Plan, bringing private medical treatment within the orbit of the average wage earner.

The plan has proved successful, so much so that Private Patients Plan, which underwrote the AA scheme, this week launched its own identical version available to the general public.

PPP is the second largest medical insurance agency in the UK and operates as a provident association with no shareholders. Its new plan called the Private Hospital Plan, represents a radical departure from the usual type of medical insurance.

The basis of this plan is that most middle and lower income groups would rely on the NHS in the first instance for treatment. They would only consider using the private sector facilities if their illness cannot be treated quickly.

So under the plan, the patient first visits his own NHS doctor and if the doctor considers that hospital treatment may be necessary he refers his patient to a consultant under normal NHS procedures. If the consultant finds that the waiting time for treatment under the NHS is more than six weeks, then the Private Hospital Plan will provide the cover for the patient to then be treated in the private sector.



"It's ideal for hypochondriacs—it entitles you to both NHS and private medical treatment."

MEDICAL CARE
ERIC SHORT

The plan will meet all hospitalisation costs, the fees of the surgeons, anaesthetists and other specialist fees up to a limit of £3,000 in a policy year, for normal treatment, but up to £6,000 for heart operations and cosmetic surgery following an accident.

The plan is not wasted if the patient can get treatment under the NHS. It also provides a daily cash payment of £15 for each night's stay in a NHS hospital. This will help meet incidental expenses the family might incur. For example, if the wife does not drive, this payment will reimburse the cost of taking a taxi.

Thus this plan supplements NHS treatment whereas all other medical insurance schemes offer an alternative. The cost of this insurance is consequently that much lower. For example, a man aged between 30 and 49 can insure himself, wife and dependent children for £9 per month. Under PPP's normal contract — the Family Masterplan, the equivalent monthly cost for cover at a provincial teaching hospital is £20.17, while for the top quality London cover, the cost is £29.68 a month. Private medical treatment is indeed within the pocket of most families.

PPP is also breaking new ground in its marketing approach by using coupon advertising for the Private Hospital Plan. People will be able to get cover simply by filling in the application form on the advertisement, provided they can satisfactorily answer the short medical declaration.

Meanwhile, the company is continuing to fully market its full medical insurance schemes. Its experience is that once subscribers use the AA plan for private medical treatment, they want the full plan so that next time they are ill they could get private treatment from the start, avoiding all the inconveniences of the NHS procedures. It anticipates that subscribers to this plan from the general public will similarly transfer to the full Masterplan once they have sampled the private sector medical facilities.

PPP is also exploring the possibilities of using this type of insurance for company medical schemes. It could well meet the needs of the shop-floor.

PROPERTY

Algarve revival

BY JUNE FIELD

Typical villas on Vale do Lobo, on the Portuguese Algarve. Brochure on those available for sale from Mrs. Jassmin Standing, John D. Wood, 23 Berkeley Square, London W1. (01-629 9050) (Photograph Trevor Kenyon)

I USED TO go regularly on property viewing trips to Portugal, particularly to the Algarve, the southernmost province with its 120-mile coastline hounded by the Atlantic ocean and Spain. A decade ago it had grown into a tourist and retirement Mecca, certainly for the British who were attracted by the pleasing well-designed low-rise developments and all-the-year-round climate.

Then came the revolution of April, 1974, and the property-selling scene went into a drastic decline overnight. Now the market is back, and those who were able to hang on, or bought at knock-down prices during the last 18 months as confidence slowly began to return, are more than doubling their investment.

You can take your pick from some 20 estates along from Faro with its international airport, to Luz Bay. Last week I went to Vale do Lobo, valley of the wolves, near the little villages of Almansil, the excellent urbanisation first planned by Sir Richard Costain and Sir Charles Forte back in 1962, which went into voluntary liquidation with the revolution. It was taken over two years ago by 43-year-old Dutch businessman Mr. Saoder van Gelder, financed from the sale of his 18 top-class jewellery shops in Holland.

Now it's a thriving community again, with the existing area spruced up (roads, equipment and services had suffered badly through lack of maintenance), an international college with a British headmaster started, the magnificent new Roger Taylor Tennis Centre just inaugurated, with various other amenities such as the Kasbah nightclub, plus a variety of plots an dnew villas for sale, and new hotels planned. (Trust House Forte still retain and run the delightful 5-Star Dona Filipa Hotel.)

Inflation is currently 28 per cent in Portugal, and the cost of labour has increased by 60 per cent over the last two years. The price for a good-quality 2-bedroom, 2-bathroom Moorish-style villa among the Vale do Lobo pinewoods set back from the sea and the championship golf-course is from about £40,000; the splendid 4-bedroom, 4-bathroom show-house plus guest cottage, swimming-pool and vast terraces with superb views, beautifully furnished by Mrs. Ruth van Gelder, is a £250,000 package.

At the other end of the scale will be good-size one-room apartments for £25,000 in the new tennis village which gets under way in six weeks. Brochure, rental and travel details from Mrs. Jassmin Standing, of the British agents, John D. Wood, 23, Berkeley Square, London, W.1 (01-629 9050). There is still a strong British commitment on Vale de Lobo, as the new phases are being designed by Mr. Sidney Kaye, architect of London's Hilton Hotel, and landscaped by Professor Grenville Pullen, of Cobham, Surrey, who is seling his own attractive villa for around £130,000, as he is having another one built.

The whole project, with its 500 homes already built, and a total of some 3,500 units planned over the next five years, is a considerable success story. Dr. Bernardino Galvao, financial director of the new Vale do Lobo Limitada, told me that during the liquidation period, the accumulated losses amounted to £1,200,000. "In 1978 we broke even, and last year we closed with a profit."

All property purchases in Portugal by overseas buyers must be bought with foreign funds, imported through the Banco de Portugal in Lisbon, via a *boletim* or import licence (this ensures, currently anyway, that the proceeds of any sale can be repatriated without problems), and last year the foreign currency imported for Vale do Lobo was £3.5m. "This year we expect to achieve five times this amount," says Dr. Galvao, pointing out that the company's total investments up to 1978 in infrastructures and facilities were £5m, and in construction, £6m. He estimates that over the next five years they will spend £2m on land, £35m on villas, and some £6m on roads and services.

For further reading, the *Property and Services Guide to the Algarve* gives useful pointers on buying in various developments, Tip from Homes Overseas, 10, East Road, London, N.1, and the current *Holiday Which?* features the Algarve (available only on subscription, details Consumers' Association, 14, Buckingham Street, London, WC2.

Keep away from the chain gang

ONE REGIONAL estate agent is anxious to reassure clients that he still has their interests very much at heart, even though they may not have received any offers for their property.

A firm in West Sussex has sent letters to those vendors whose properties have been on their books for a couple of months without any apparent actin: "I feel sure that you must be aware of the current economic climate and how it is affecting the property market at the moment. The main stumbling block in achieving a satisfactory sale on any property under these circumstances is usually a hold up in a long chain of transactions directly affecting the eventual sale of your own property. It is the policy of this office to try to find 'good' purchasers for our clients, and we consider that it is quite useless to actually put a sale in hand unless we are able to have at least some contact with the chain."

As the agent points out, it is obviously ideal to find a purchaser who is in a position to proceed immediately, but where someone is very keen but still has their house to sell, they make it quite plain to them that in the interests of their client they reserve the right to continue to search for someone who can go ahead. They conclude, hopefully: "It is impossible to predict how long this situation will prevail, but it seems reasonable to confidently expect that whenever there is a blockage in the house market this is inevitably followed by a good selling scene."

In the Manchester district, though, business is brisk, particularly in the up-market sector, claims Mr. Michael Rains of Samuel Rains and Son; they sold the Parkfield Lodge penthouse that I wrote about last week "to a foreign buyer — a hard bargainer."

Mr. Rains maintains that the cloth-cap image and the mystery of the unknown beyond Watford "has long since evaporated, to be succeeded by gracious and sophisticated living, and a realisation that it is really what Manchester does today, that London does tomorrow! And the north-west is by no means 'behind the door' compared with the south-east where residential property values are concerned."

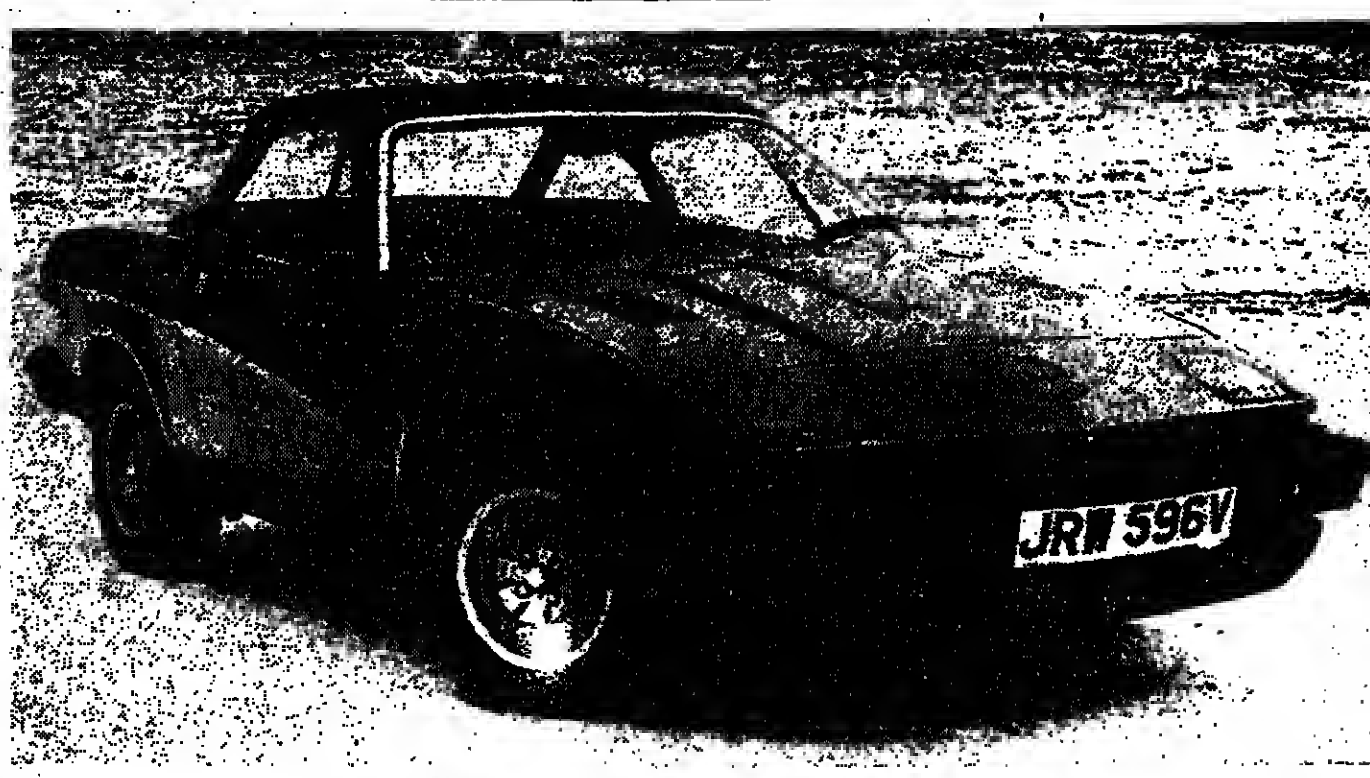
Contact Mr. Rains at PO Box 10, The Crescent, Cheadle, Cheshire (061 491-0111), for a property portfolio of what he calls "no expense spared properties" near the golf course in Cheadle, mainly in the £100,000-class.

Left: Sleepy Oaks, in 12 acres of park and woodland near the village of Elstead, Surrey, is an appealing 4-bedroom, 2-bathroom country house built about 100 years ago, converted from two cottages and a cricket pavilion. Offers in the region of £100,000 are being invited by Mr. Paul Ormerod, Messenger May Baverstock, 4 Castle Street, Farnham GU9 7HS (0252 714164)

Right: Offers over £55,000 are invited for the 6-bedroom Vicarage, Talgarth, 6½ miles from Hay-on-Wye. The vicar still lives there, but viewing can be arranged by appointment through Mr. M. E. Russell, Cooke and Arkwright, 92 Park Street, Bridgend, Mid-Glamorgan (0656 55051), who will also send a brochure

MOTORING

Lure of the topless TR7



The Triumph TR7 convertible. Sporty when open, snug as a saloon with the roof up

BY STUART MARSHALL

FOR MONTHS it seemed as though the TR7 convertible and I were fated never to meet.

Last year, when it went on sale in the U.S., a party of British Pressmen were invited over to see it make its debut. Alas, I was not among them. More recently, BL asked me to try it in the Midlands.

They told me later it had been a beautiful day up there. But when I left home en route for the M1, my local by-pass was blanketed with fog, covered in black ice and littered with wrecked cars. I turned back.

Last week, however, when the TR7 convertible and I finally got together, I felt it had been worth the wait. This year's first heat wave provided the kind of weather convertible designers and buyers dream about. When the sun shines down from a cloudless sky, shirt sleeve driving in a topless car makes even commuting to London seem enjoyable.

The TR7 was always intended to be a convertible. The only reason it appeared initially in 1976 as a hard top was that Triumph had feared America (its main export market) was going to ban the convertible as a safety hazard by the late 1970s.

In the event, this didn't happen, but decisions, right or wrong, have to be taken. Thus the TR7 was born four years ago as a hardtop, looking like a million dollars from the front, but as hippy as a carthorse from the back. Once it became clear that reports of the impending death of the soft top were much exaggerated, Triumph made a U-turn and the TR7 became a convertible after all.

It gives me the greatest pleasure to say that this all-British car excels in every important respect. The 2-litre, four-cylinder engine produces 105 horsepower at 5,500 rpm but feels just as happy pulling hard at low speeds in traffic as it does rushing enthusiastically up to high revs in the gears. Top speed is close to 115 mph. It goes from 0-60 mph in under 11 seconds—two seconds less than the MGB—and there is little enough noise at 70 mph for the radio to be enjoyed when the hood is up.

The five-speed gearbox, which comes from the Rover SD-1, has a quick, incisive shift. The rack and pinion steering is equally satisfactory, but it can feel heavy when parking. Handling is tautly responsive, though the suspension gives a comfortable rather than sporting ride. Petrol consumption is around 27-28 mpg on a run and might be even better with higher overall gearing, which the engine could certainly cope with. As it is, third gear takes you away from a virtual standstill without protest and fifth gear acceleration is jerk-free from below 30 mph.

BL Cars have successfully eliminated scuttle shake (in some convertibles it makes the whole fascia wobble from side to side over rough roads) and the soft top TR7 feels no less regid than the hard top model.

The convertible has a lower, sleeker profile at the rear end and looks quite rakish with the hood up. It is a good hood, well-fitting and draught free and easy to lower. Folding it down takes only a few seconds; press-buttoning the separate cover into place takes another minute or two, but the TR7 is then completely open with no sign of the hood at all. There is some draught with the hood down but it really isn't troublesome, even at motorway speeds. Curiously, raising the side windows makes the draught more noticeable.

The seating position is low, but not excessively so. Instruments and warning lights are well placed and there is an enormous lockable glove box in the fascia. The concealed headlamps can be used to give an overtaking signal because a touch of the flashing control brings them up instantly and returns them automatically when released. There is much more luggage room in the boot than one expects of a sporting two seater but the space behind the seats is only enough for a folded coat or a slim briefcase.

The windscreen pillars are thi[ck] —for safety reasons they ha[ve] to be—and are rather obstr[uc]tive to vision, especially wh[en] the hood is up. And the scre[en] itself is shallow and so steep[ly] raked that upward visibility [is] limited, which can occasiona[lly] be awkward in town.

But, taken as a whole, the T[R7] convertible is one of the m[ost] enjoyable cars I have driven [for] a long time. At £5,959, which [is] £237 cheaper than the hardt[op,] it is quite a bargain. With [a] foreign badge on the front a[nd] a price tag half as high aga[in] some people would, I suspe[ct,] still rave about its value [for] money as well as praising [its] performance.

Open air motoring is ma[r]vellous in hot weather. At an[y]thing over 50 mph you hear on[ly] the rush of the wind until y[ou] overtake a speeding juggerna[ut.] Then, the sheer clamour ma[de] by 32 tons of lorry running [on] 14 tyres comes as quite a sho[ck.]

The TR7 soft top seems to [me] a logical successor to that we[ll] loved but now aged car, t[he] MGB, and it is a model a[ny] manufacturer might be glad [to] put their name on. If BL c[an] go on getting things as right [as] they have got them with t[he] TR7 convertible, Briti[sh] motorists will be glad to b[uy] British again. It will be t[he] smart as well as the sensib[le] thing to do.

Lessons for gas guzzlers

The last thing one would have thought American owners of "gas guzzlers" would have worried about was saving fuel. But apparently they do, especially since petrol went over the dollar a gallon mark, and the paperback "How to get more miles per gallon" has been a best seller there. It has just come to Britain, suitably edited and added to by David Rowlands, former editor of the AA's "Drive" magazine, and published at 90p by Arrow Books.

A lot of its content is fairly obvious ("Group as many errands as you can into a single trip . . . one stop shopping is most economical of all") but the suggestion that petrol should be bought early in the morning in summertime was new to me. The author says that summer heat makes petrol expand. Pumps measure volume. Therefore, if you fill up early in the day, the fuel will expand in your tank, not the garage's.

The advice on petrol saving gadgets is interesting. None actually results in direct fuel savings; they can only help the driver to obtain better miles per gallon. And a good economy driver (by implication one who has absorbed the contents of the book) can do better unaided than any driver with a gadget laden car.

MOTOR CARS

TRAVEL/GARDENING

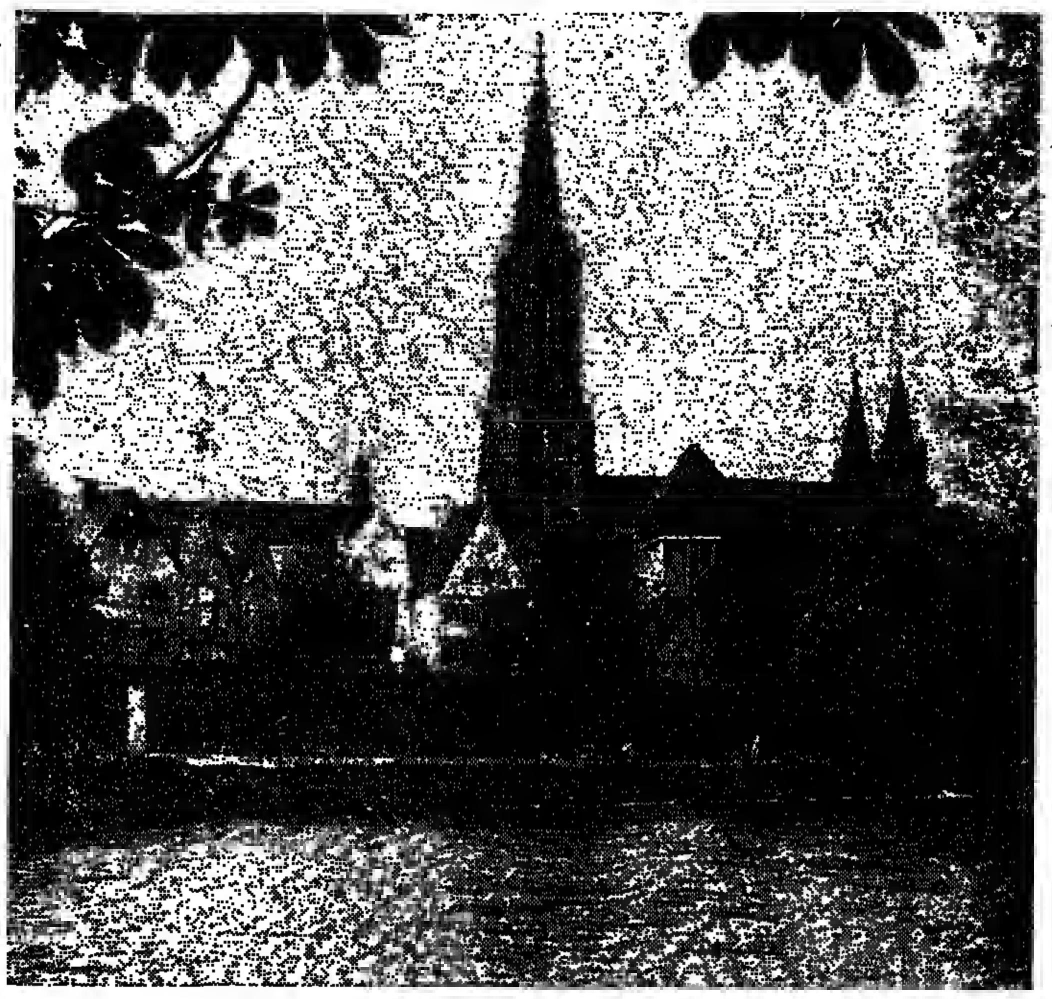
Where the Danube begins

BY SYLVIE NICKELS

AMONG THOSE who care about such things, there is some argument as to the precise source of the Danube. For our part, we were quite satisfied with the cool clear trickle of water emerging from the mountain side, high up in the Black Forest above Furtwangen. The plaque beside it states this firml yto be the source, 1069 metres above sea level and 2,888 km from the Black Sea.

Germany's share of the Danube to just below Passau is over 400 miles and, as a theme fo ra touring holiday, I can strongly recommend these upper reaches of Europe's greatest waterway, which grows from a mountain brook to a broad commercial artery in the process. Most guide books plump for Donaueschingen, 48 km downstream from the plaque, as the Danube's official source, marked by an elaborate monument in the grounds of the Fürstenberg Palace. From here to Ulm, the Danube still qualifies as a very young river. From time to time it is trapped between limestone cliffs and steep wooded hills, inevitable sites for craggy castles and secluded monasteries.

Ulm is lovely. Chunks of medieval and later walls provide satisfying walks overlooking the river, and the restoration of ancient houses after war destruction has been laudably done. The half-timbered houses of the fishermen's an dtanners' quarter lean towards each other over the tiny channel of the tributary Blau. And soaring above the market place, the world's tallest church spire (528 feet) was added in the last century to the venerable cathedral beneath. From here, the Danube is navigable by small craft. Long before the string of locks interrupted its flow between here and Vienna, Ulm's quaysides hustled with the activities of the *Ulmer Schachtel*, preparing to navigate those then very treacherous waters. Strong muscles wielding massive oars powered these curious craft that carried passengers and cargo to river ports as far afield as Belgrade. One of them is depicted among the 16th century frescoes on the even older walls of the town hall.



The Danube at Ulm, dominated by the Cathedral

Ulm would be an excellent centre from which to radiate into Bavaria and the Black Forest, and the lively local tourist office has a variety of packages to suggest, with tours by covered waggon or bicycle among other more conventional arrangements. The latter include a three-night package from DM114 covering three nights' b and b with private bath and all sorts of "extras" from a bottle of beer to a Danube boat ride.

Trade was only one feature of the Danube's historic importance. From their homelands around here, the Celts followed the ive in seach of new territories and eventually found themselves in the Balkans. Late, the Romans built their massive defence lines along the Danube banks, fo a while at least, holding off the babarians who eventually designed the European map. And much late still, the great power struggles ebbed and flowed across the ive. One such occasion, in 1704, was the Battle of Blenheim to which a museum is devoted in the little Danube-side town of Hochstadt. A century late, Napoleon was conducting some of his campaigns in these parts and thus, along this ive one leap-fogs back and foth though history.

East of Ingolstadt (and yet anothe castle-like Residence), the substantial Roman remains of Abusina are nea the village of Eining. And just beyond that begins the most spectacular section of the German Danube: the gorges of Kelheim. A Benedictine monastry stands at the entrance to thm, and traces of the Limes—linking the Roman Danube and Rhine defnces—are to be seen across the river. It's a glorions stretch, well justifying the sightseeing boats that potter up as far as here from Regensburg. Kelheim itself, at the gorges' exit, is a pretty place. It also marks the end of the now-defunct Ludwig Canal, built in the 19th century to join the Danube with the Rhine and still in use during World War II for the passage of what must have been extraordinarily slender gun boats.

The canal has a very sophisticated successor, due for completion within a year or two, thus forging the final link of continuous waterway between the North and Black Seas.

Both Regensburg (ancient Ratisbon) and Passau were for long independent cities and both are stuffed with architectural treasures. A lovely stretch of river joins them beneath the wooded hills of the Bavarian forest and the riverside towns —like Straubing and Deggendorf — and countless more castles with hectic histories, all have charm or interest. At Regensburg, we coincided with a *fest*, with an oompah-pah band playing, and beer and sausages served, in the square by the Cathedral (which has glorious stained glass windows).

Passau's narrow streets also converg on a cathedral, this one boasting the world's largest organ. Much of this mainly Gothic city was damaged by earthquake and fire, and periodical Danubian floods haven't helped. But it is still an exceptionally fine town. Three rivers meet here and here, too, begin the Danube cruises down to the Black Sea, through six more countries and along about 1,300 more miles of river. But that is another story.

Further information: German National Tourist Office, 61, Conduit Street, London W1.

Japan's versatile rhododendron

BY ARTHUR HELLYER

THE ISLAND of Yakushima, at the extreme southern end of the long archipelago which is Japan, is small but mountainous. Its highest peak, Mount Miyanoura, is close to 6,500 ft high and on this and neighbouring mountains, above the tree line and so fully exposed to sun and wind, grows an exquisitely beautiful rhododendron which has qualities of especial interest to owners of small gardens.

Because of its habitat it was named *Rhododendron yakushimanum*. It was first planted in England in 1934 in the famous Rothschild garden, Exbury, near the Solent. Mr. Lionel de Rothschild, though a very enthusiastic breeder of rhododendrons, seems to have done little with it, possibly because he was more interested in large and magnificent rhododendrons and *R. yakushimanum* is small and demure. As usually seen it is a neat dome-shaped bush less than a metre high and rather more across. It is this compact habit, combined with an urge to start flowering as quickly as possible and an ability to grow in full exposure, that make this Japanese species so valuable to gardeners today.

Mr. de Rothschild gave a plant to the Royal Horticultural Society for its garden at Wisley and from there it was shown at the Chelsea flower show in 1947 and received a First Class Certificate, an unusual distinction at a first appearance. Almost immediately breeders appreciated its potentialities as a parent of dwarf, hardy, sun-enduring rhododendrons. They began to cross *Rhododendron yakushimanum* with all manner of other species and hybrids, likely and unlikely. The Crown Estate gardeners at Windsor even mated it with a form of *R. loderi*, which is rather like breeding a poodle with a great dane, but so dominant is the dwarfness of *R. yakushimanum* that the offspring, named Seven Stars, is quite a small plant which nevertheless has acquired a look of *R. loderi* both in the size of its leaves and its white flowers.

Now, 20 years later, the fruits of all this labour are beginning to be seen. The "Yaks" are descending on us in number, and there were plenty of them on show this weke at Chelsea. They are to be seen in all nurseries specialising in rhododendrons and in many garden centres, most of all the Hydon Nursery at Godalming and the nurseries of the Waterer Group at Bagshot, Sunningdale and Twyford, for these have been leaders in the breeding of these new rhododendrons. An exceptionally fine collection of "yaks" is also flowering at the moment in the famous Loder gardens, Leonardslee, at Lower Beeding, south of Horsham in West Sussex, and this is open today and tomorrow for charity and again on May 28, 9 and 31 and June 1, 4, 5, 7 and 8. I would expect some of the "yaks" to be still blooming on that final Sunday for, like the hardy hybrids which they resemble in miniature, they have chosen a sensibly late and frost-free season to bloom.

Before I describe some of these hybrids in greater detail let me explain that I do not regard any of them as so beautiful as the best forms of the species itself. That is often the case and the value of much breeding is not that it makes plants more beautiful but that it provides gardeners with a greater variety of colour and form to be used in various decorative ways and this is precisely what the "yak" breeding has done.

Rhododendron yakushimanum is highly distinctive in leaf as well as in habit. Its leaves curl downwards and inwards and are densely covered beneath with down, at first white, later brown, all doubtless features designed to give protection against sun and wind. The flowers are quite large and carried in good dome shaped clusters, apple blossom pink in bud paling to white as they open.

The hybrids now offer an almost complete range of the rhododendron colours including many shades of pink, carmine, red, crimson, mauve, purple, pale yellow and apricot. I have yet to see one that has the distinctively downward rolled leaves of the species, and that is a pity, but many have good though conventional rhododendron foliage and are not to be despised as evergreens.

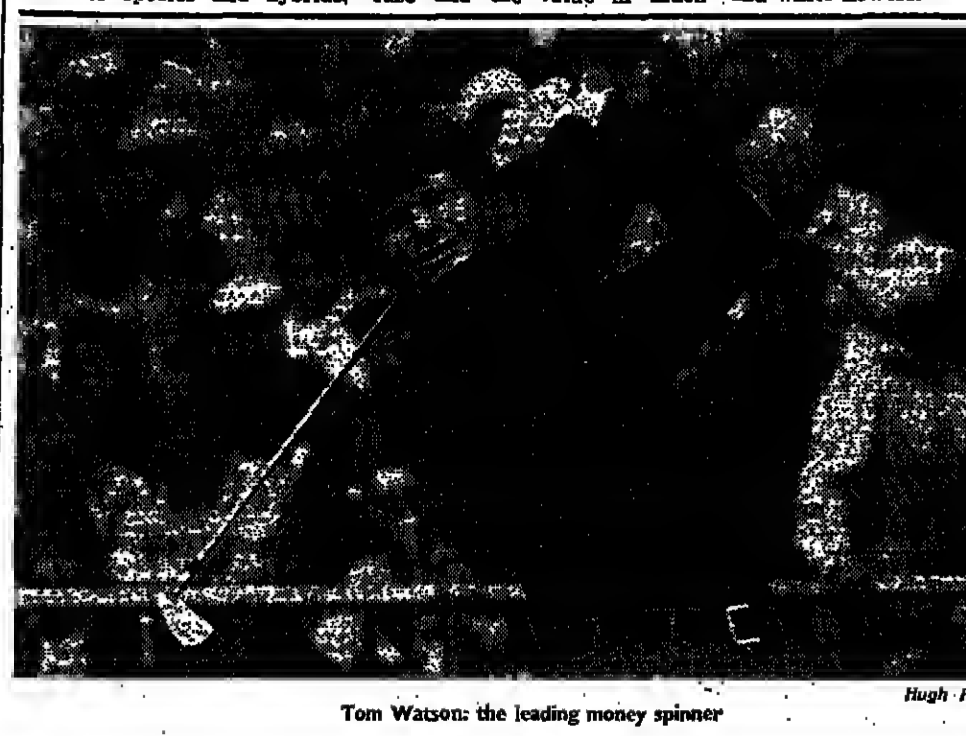
The three I like best of all are Percy Wiseman, Vin Rosé and Golden Torch. The first is very low but wide spreading, its stems spread out over the soil so that it makes good ground cover. The colour of its flowers is delightful, a blending of soft carmine and creamy pink. Another variety, named Bashful, is almost equally wide in proportion to its height but holds its stems off the ground and so is not so good at smothering weeds. It has carmine buds opening to apple blossom pink and white flowers.

Vin Rosé is fairly big for a "yak" but dense and compact in habit and with plenty of good foliage. The flower trusses are big and showy, a mixture of rose pink and carmine. It would look well planted with Golden Torch which is just about the same size, equally densely covered with leaves and has peach pink buds opening to apricot yellow flowers.

There are lots more. Dopey is late flowering and rather bigger than most; Hydon Hunter has big globular trusses of pink flowers frilled at the edges; Hydon Dawn is rather thin on foliage but has abundant pink flowers which pale as they age; Wishmoor is pale primrose and very sturdy, Morning Cloud is mauve pink. Ernest Inman light violet and Caroline Allbrook quite a deep purple. Dusty Miller is distinct in its small leaves and has a wide, spreading habit. Its flowers are cream.

So one might go on. The best advice I can give is to see them for yourself. If you have a garden which you believed to be impossibly small or exposed for rhododendrons the new "yaks" could well change your mind.

Last week I referred to the great difference between British and Continental styles of exhibiting. Television viewers now have a chance to compare the two since, in addition to the usual programmes covering the Chelsea flower show the BBC has prepared a 30-minute film on the Ghent Floralies, most spectacular of all the great European shows. The director, Laurence Vulliamy, has recorded the whole build up of this vast spectacle right up to the royal opening and has shown all its special features such as the huge banks of hydrangeas and azaleas, the superb begonias, lilies, carnations and the thousands of tropical plants. The film will be shown on BBC 1 at 5 pm on Sunday June 8. The commentary is by Peter Sesbrook.



Tom Watson: the leading money spinner — Hugh Routledge

Not exactly a failure

GOLF

BEN WRIGHT

TOM WATSON'S "failure" last Sunday to win the Colonial National Invitation Tournament, and with it the "Texas Bonanza" of an additional $200,000 offered to any one player who could win both this event and the Byron Nelson Classic that preceded it in Dallas spoiled the happy ending the sponsors had envisaged. But the fact that Watson remained in contention until the 71st hole at Colonial Country Club in Forth Worth, at which Club Ben Hogan had honed his game to a pitch of perfection never since equalled, caused the largest ever crowds to flock to the event over the three days of glorious sunshine that followed Thursday's rained out first round.

What might have been had not the violent thunder storms caused the heroic greenkeeping staff to work through the following night to pump inches of water off this magnificent and historic layout will always be debated. For as the eventual winner Bruce Lietzke, from Beaumont, Texas, was quick to admit, Colonial was a comparative pushover when he brought in his record equalling first day's score of 63 that deprived Watson of the opportunity of leaving the tournament circuit here for the 13th consecutive round. There were still so many puddles on the fairways on Friday morning in the areas frequented by most professionals with their drives that the greens superintendent had to move up the tee markers so far as to make the course play much shorter than its formidable 7,161 yards, par 70.

Nor was Watson helped by having to play 36 holes on the final day with such tremendous pressure upon him, made even more acute by the fact that he was playing alongside two favourite sons of Texas, Lietzke and Ben Crenshaw from the state capital of Austin. Lietzke had led going into Sunday's finale at 9 under par after rounds of 63 and 68, Crenshaw was second at 7 under after scoring 67 and 66, and Watson was third at 5 under after rounds of 66 and 68.

Only two weeks previously had it been decided to send out the three leaders last to replace the time-honoured format of putting those placed first, third and fifth in the final group, with those in second, fourth and sixth positions forming the penultimate trio. As it happened Lietzke was to finish at 9 under par, Crenshaw 8 under, another Texan from Lubbock Jeff Mitchell the Phoenix Open winner at 7 under, while Watson earned a mere $13,200 for sharing fourth place with the Heritage Classic winner, Doug Tewell at 6 under.

I say a mere $13,200 because before the Colonial Watson's average winnings in tournaments in 1980 had been no less than $37,320. For the statistically minded Watson had won his three previous tournaments, starting with the Tournament of Champions in which only winners of the previous year's events are eligible, and then the New Orleans Open before his triumph in Dallas. Watson has won the last three tournaments bearing the name of Nelson, his teacher, and four of the last six.

In the 41 months since the 1977 season began he has won 20 tournaments, five each year. He has now earned more than $300,000 in four straight years. Jack Nicklaus in 1972 and 1973 and Johnny Miller in 1974 are the only other players to have topped $300,000 in a single season.

Watson has been the leading money winner in 99 out of 138 weeks since the start of the 1977 season, an incredible seventy-odd per cent of the time. Going into the Colonial he had won 8.9 per cent of all money offered in the 11 events in which he had played this year — $305,525 out of a total of $3,375,000. And because first prize is 18 per cent of every purse, he has now won nearly half of the maximum possible winners' total of $661,500, Watson's bag being $318,725.

Since coming on tour in late 1971 Watson earned his first million dollars by May 7, 1978. But incredibly since then he has increased his earnings to $1,985,158, so it is a fair bet that he will earn the remainder needed to reach his second million before the end of this month, if not this weekend here in Columbus, Ohio, in the Memorial Tournament. The fastest million in golf history was Nicklaus's third, which took him 41 months to earn. Obviously Watson is so far ahead of that schedule as to make it appear dilatory.

If Watson succeeds in topping the money winning list in 1980 —and who can stop him—he will establish an unsurpassed record by doing so four years in a row, as he will if he succeeds in winning his fourth consecutive Vardon Trophy.

Interestingly no player has averaged under 70 strokes per round for an entire season since Billy Casper in 1968, and Watson is currently well on target to equal that feat too. Since the start of the 1977 season he has won 20 of 77 American Tour events and finished in the top ten 57 times.

So how did he contrive to lose last Sunday? With 10 holes to play he was second at 7 under par to Lietzke's 8. But Watson dropped two strokes to par at the ninth hole and at the 11th, at which stage Lietzke was 9 under, Crenshaw 7 under, and Watson only 4. It appeared to be all over. But incredibly Watson made a two from 5 ft at the thirteenth, missed birdies from 20 and 10 ft at the fourteenth and fifteenth, and made another two at the sixteenth, 190 yds long. He hit the hole for birdie from 50 ft at the seventeenth, but had to get down in two shots from a bunker to the right of the last green for his par. It was as close as that.

Lietzke will not forget the sixteenth hole in a hurry. He holed in one there—a five iron shot—on Friday, and all but equalled that feat on both Saturday and in Sunday's final round, holing putts of no more than a few inches on each occasion. But the final drama was reserved for the 72nd hole, where Crenshaw made a miracle chip and putt par from an impossible position in the trees to the left of the 18th fairway —his stock in trade—only to watch helplessly as Lietzke rammed in his birdie putt from 20 ft to beat his friend by a single shot.

RACING

DOMINIC WIGAN

April Bouquet the nap

APRIL BOUQUET looks good for today's renewal of the Cecil Frail Handicap at Haydock. Although he is lacking in racecourse experience compared with almost all his opponents in the 13-runner line-up, April Bouquet may have one decisive advantage — his handicap weight of only eight stone.

I believe that the handicapper has underestimated his ability.

Willie Carson's mount is certainly making unusual improvement judged on his two outings this season. Fifth, some four lengths behind Sunfield and Pentaquod, when that pair passed the post almost inseparable in the one-mile Compton Maiden Stakes at Newbury on April 19, April Bouquet got to within a head of Pentaquod when meeting that rival on identical terms and in similar conditions over the same trip at Newmarket 12 days' later.

This afternoon, April Bouquet is much preferred to Sunfield whom he meets on 1 lb worse terms than when that opponent proved considerably better at Newbury. A greater threat to April Bouquet is probably Greenwood Star, a handsome grey son of No Mercy.

He could hardly have won the Cold Shield Windows 4,000 Guineas Stakes in better style earlier this month. Driven into the lead approaching the distance, Gavin Hunter's 3-year-old quickened away impressively to put daylight between himself and Home Ground from whom he was receiving only 3 lbs.

A year ago Greville Starkey was seen at his most forceful in getting Devon Ditty home from the persistent Son of Shaka in the Gus Demmy Memorial Stakes. This time I hope to see him less hard-pressed to score on Lord Seymour.

Selections

HAYDOCK

1.30—Rehnbeam
2.00—April Bouquet***
2.30—Lord Seymour**
3.00—Piece of Lundy
3.30—Dynapac*
4.00—North Moor

HOW TO SPEND IT

by Lucia van der Post

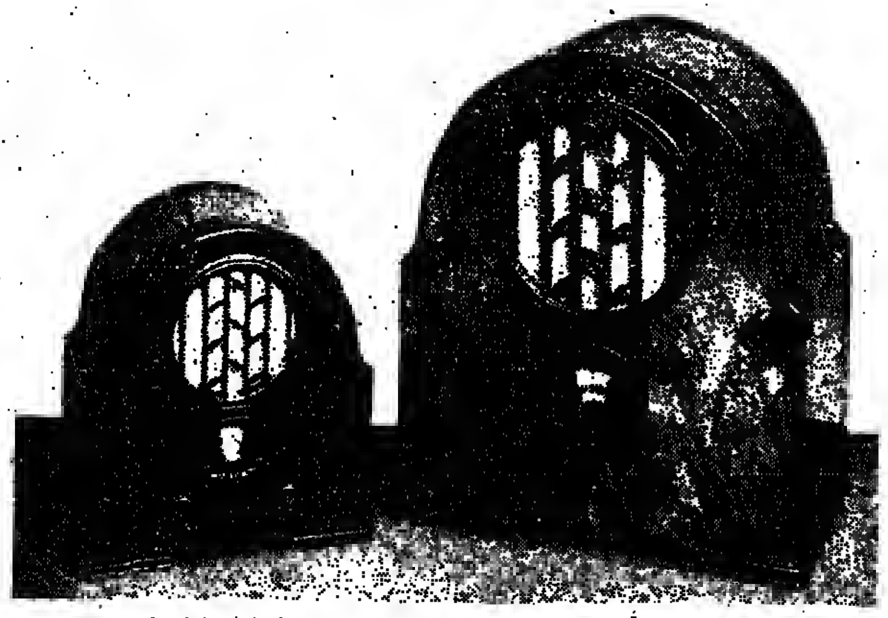
The nostalgia game

IT IS interesting that so many of the old designs that we couldn't wait to replace with their newer, more technological successors are now becoming coveted relics, or even "antiques." Most families who owned the early radio or gramophone models couldn't wait to replace them with the very latest streamlined number as soon as it was produced. Anybody who still has some of those early models lurking in the attic should make sure to preserve them and value them for what they are—sought-after products whose virtues are only just being appreciated.

Just recently two companies have decided to resurrect designs from an earlier age. Philips has launched a Vintage Radio (see photograph right) which is a careful reproduction of the Model 634 that was first launched at the Radio Show in September 1933.

Though this newest version looks almost identical to the early version, save for the fact that it is reproduced at two-thirds of the original size, the internal technology has been changed to reflect its 1980 launching date. The outside is made from wood, has a walnut veneer and has that solid, important look that was so much a part of those early radios. The radio itself is fitted with a three-band transistorised radio chassis and copes with long wave, medium wave and FM.

The wood is said to help give especially good sound reproduction—which is why, of course, it was originally chosen—and now that it is combined with a high quality loudspeaker the radio should give a very high level of sound reproduction.



On the left is the new Philips radio, a two-thirds size replica of the original Philips model 634, shown on the right, and first launched in 1933

A collection of accessories originally designed by Josef Hoffmann, one of the founders of the Vienna Secession movement, and now being reintroduced onto the market

Those who are enamoured with the vintage touches will be happy to learn that Philips has incorporated a tuning dial that lights up. For those who are interested in its exact dimensions—it is 12 ins by 10½ ins by 7½ ins and weighs 5½ lbs. It is on sale now in Selfridges and the Lewis group and costs 79 guineas (if you've forgotten what they were, it works out at £82.95).

Mines and West of Downley which is chiefly known for its office furniture marketed under the brand name, Ulopla Business Furniture, has decided to recreate eight pieces in a range of accessories originally designed by Josef Hoffmann, who lived from 1870 to 1956. Though the company feels that the range will be chiefly of interest to architects and designers I feel sure that many ordinary people would love to own one of these outstandingly striking pieces.

The Mines and West copies are exact and careful reproductions of Hoffmann's designs and the photograph shows clearly the sugar bowl, the plant-holder, the two-tiered fruit bowl, the umbrella stand, vase and basket. The "screen-work" style was created by Hoffmann to allow him to use the pierced white-painted metal or silver over a whole range of applications. The results, as you can see, are both functional, simple and yet distinctly decorative.

The accessories, in either the white or black painted pierced metal can be seen and bought at the Conran Shop, 77 Fulham Road, London SW3 from the beginning of June. Prices are not cheap—the umbrella stand is £35, the plant holder £14.50, and the fruit-bowl is £25. For further information write to Mines and West of Downley, Downley, High Wycombe, Bucks.

Meals on wheels

BY JULIE HAMILTON

YOU HAVE to live in the country to understand what picnics are really all about. Glyndebourne, Ascot and Henley are all very well but the most experienced "boot entertainers" are to be found at summer fayres, social cricket matches, hunter trials, point to points and similar country events.

Walk down the rows of cars, hatchbacks open, and where the luggage and dogs usually travel you will see damask cloths sporting a spread of food fit for a wedding breakfast. No picnic hampers here, nor plastic mugs and plates; not even a vacuum flask, unless it is filled with a delicious cold summer soup.

Out of those boots come patés, dips, pies and, above all, those wonderful French bread open sandwiches laden with delicacies.

Imagine a piece of French bread cut eight inches long and then in half lengthways, generously spread with butter on which lies a cos lettuce leaf filled with a slice of salami, a slice of egg, a slice of tomato, a spring onion, an olive, a sardine, a slice of cucumber, home made mayonnaise and a prawn or two.

Perhaps you would prefer a cos lettuce leaf filled with cream cheese, anchovy, raw carrot, gherkin, walnuts and watercress? Or do you fancy mayonnaise, fresh asparagus, fresh salmon and cucumber, sprinkled with parsley?

And what about rare roast beef, green pepper, tomato and mustard mayonnaise, topped with florets of raw cauliflower and chopped celery?

GRAVAD LAX — serves 8

Most exotic of all is the cos leaf filled with gravad lax (home pickled salmon) topped with a special dill and mustard sauce.

To pickle the salmon you need:
1½ heaped tablespoons sea salt; 1½ teaspoons crushed black peppercorns; 1½ tablespoons granulated sugar; 2 heaped tablespoons fresh dill if available or 1½ level tablespoons dried dill weed; 2 lb tailpiece of fresh salmon.

For the sauce:
2½ tablespoons mild French mustard; 1 heaped tablespoon caster sugar; 2 small egg yolks; 8 or 9 tablespoons olive oil; 2 tablespoons (approx.) white wine vinegar; 2 teaspoons fresh dill or 1 heaped teaspoon dried dill weed; salt and white pepper.

When you buy the salmon ask your fishmonger to fillet it into two triangles but not to remove the skin. Combine all the pickling ingredients together. Spread a portion on the bottom of a flat dish and place one piece of salmon on top of it, skin side down.

Spread half of the remaining pickle over the cut side of the fish, place the next piece on top of it, skin side up, and rub the rest of the mixture well into the skin. Cover the whole with tinfoil and press well with a heavy flat object, leaving to stand like this in a cold place for not less than 48 hours but preferably for five days. Turn the salmon once a day. To serve, slice it as you would smoked salmon, parallel to the skin.

To make the sauce, beat the egg yolks, mustard and sugar together until smooth and creamy, very slowly add the oil and vinegar, beating well all the time. Finally add the dill and season with salt and pepper to taste.

This dish makes a delicious starter to any dinner as well as a most unusual picnic offering.

GOOSEBERRY FLAN — serves 6

Before tempting you with an expensive array of cheeses, the "boot entertainer" will probably provide a choice of luxurious fruit flans. Here is my favourite recipe for a rather special gooseberry flan (and gooseberries are just now coming into season).

½ lb cooking gooseberries; ½ lb really ripe eating gooseberries; 4 oz cream cheese; 4 oz double cream; 3 oz caster sugar; 4 oz plain flour; 1 tablespoon icing sugar; 2½ oz butter; 1 large egg; caster sugar for frosting.

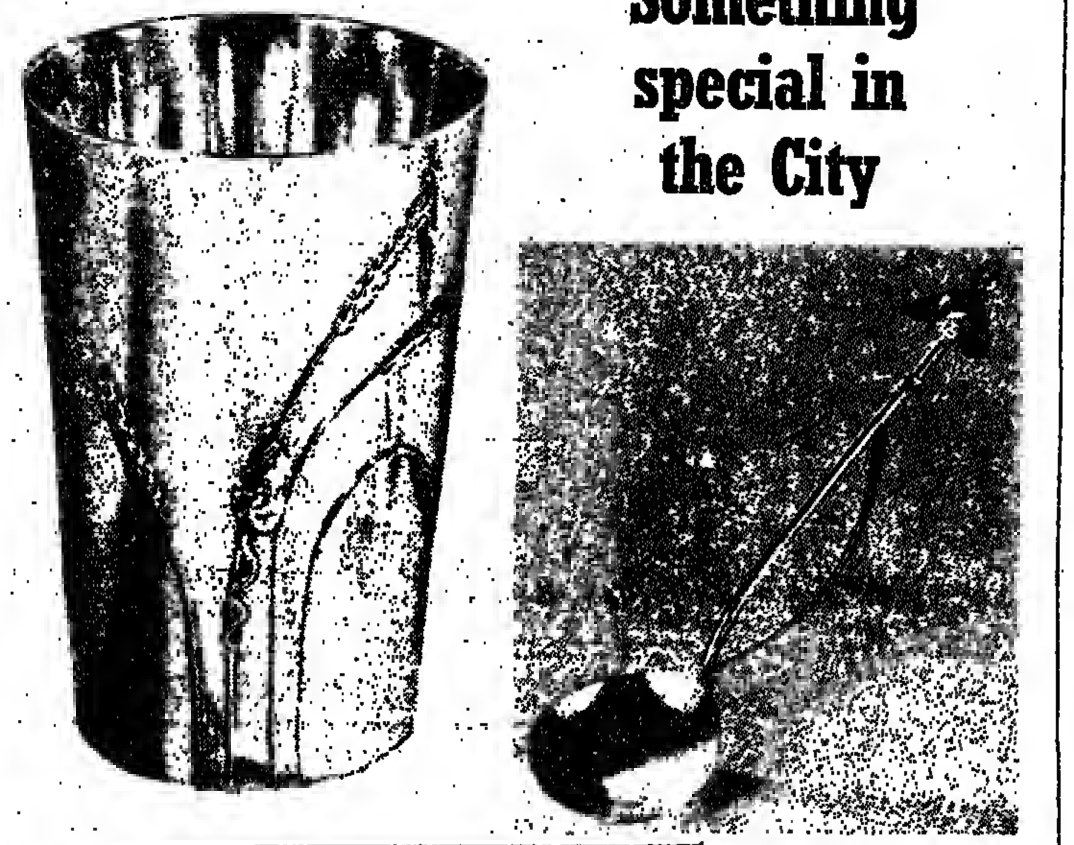
Butter a loose-bottomed flan tin. Preheat the oven to gas mark 4 (350F). Sift together the flour and icing sugar, cut up the butter and rub it into the flour until you have a breadcrumb texture. Separate the egg (setting the white on one side), add the yolk and enough water to make a manageable dough. Roll out and line the buttered flan tin, prick with a fork, chill for half an hour, then bake blind for approximately 15 minutes.

Do not bother to top and tail the cooking gooseberries. Just wash them. Place them in a pan with 1½ tablespoons water and gently cook them. When they are done, push them through a sieve and add 2 oz of caster sugar to the purée.

Set aside to cool. Very lightly whip the cream and combine it with the cream cheese, adding the remaining 1 oz caster sugar. Carefully but thoroughly fold in the cold gooseberry purée. Chill for approximately half an hour.

Frost the eating gooseberries, top, tail, wash and dry them: lightly beat the egg white and brush each gooseberry with it, then drench them generously with caster sugar and leave them on a wire rack to dry. Fill the flan case with the chilled cream cheese and gooseberry mixture, then arrange the frosted gooseberries on top.

Something special in the City

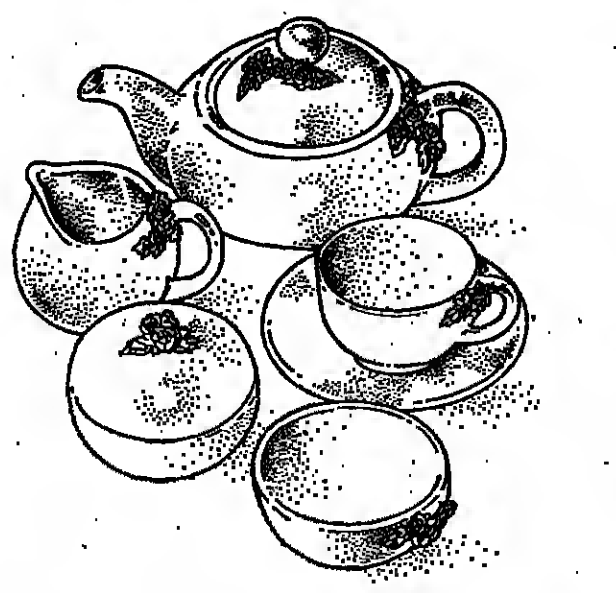


CITY businessmen (or others who feel it worthwhile making the journey for the sheer pleasure of the objects) who are in search of a very special present, either for a close friend or relation or as a commemorative or leaving present for a colleague might like to know that a new small shop has opened in their midst that might provide the very thing for all these occasions.

Sarah Jones, who is a silversmith whose work I have mentioned on this page once before and who until now has sold her wares from a stall in Camden Lock Market, N1, has opened her own shop at 14 Basinghall Street, London EC2 which lies between Bank and the Barbican.

The shop itself is a listed 19th century building, newly restored by the Goldsmith's company and Sarah's own bee sign hangs over the door. Sarah will sell silver objects and silver jewellery costing anything from £7.50 upwards though most of the prices fall somewhere between £7.50 and £100. Besides the stock visible in the shop, much of which features bees, flowers, insects and animals, Sarah will be only too happy to take on special commissions.

The two photographs, above, give some idea of her work. The silver beaker with a small mouse on the wheat sheaf is £184, while the silver christening spoon, decorated with a snowdrop is £41.40.



Frank Wheeler

Early morning cheer

NEW CHINA is one of the things I find difficult to resist and it is, after all, a not very expensive way of giving a completely new look to any table-setting. One of the prettiest examples of china now about is a range developed by a young ceramicist called Myra McDonnell. While most of her contemporaries seem to have concentrated on rather earthy tones or on exceedingly witty and strange designs, she has concentrated on producing some exceptionally desirable tea-sets.

The tea-set drawn here has a lovely, gentle nostalgic air about it — you would feel almost obliged to produce cucumber sandwiches with the tea. The basic colour is white but handles and knobs are decorated with charming green and pink roses. The decoration is all applied by hand so prices are not all that cheap — the teapot is £15.12, the cream jug £6.50, the bowl £6.50 and the cup and saucer £6.50 the pair. All prices are exclusive of VAT. Add £1.50 postage and packing per single item or £3 if ordering the complete two-cup breakfast set. Because of the hand decoration supplies are not always steady but if you'd like some of her work (she also produces the same basic form decorated with charming little green buttercups), Anthony Paine, of Highgate High Street, N6, will shortly be stocking her designs. Ring the shop first to check on availability.

Postscript

I'VE ALWAYS been a fan of the food department at Selfridges of Oxford Street, London W1, and always regretted that I work and live too far from it for it to be much of a personal amenity. However, in recent weeks customers have been pouring into the food department from far and wide to sample the new lettuces that Selfridges has been selling.

The lettuces are sold complete with their own block of moist peat, the idea being that this way they will be kept fresh almost indefinitely. The block of peat should be kept moist, though the lettuce itself must not sit in water or the leaves will rot.

Selfridges sold them exclusively until May 10 and on the very first day they had sold 400 by 2 pm. At 18p each they were plumper, fresher and much better value than any other lettuce I have bought in recent times. The lettuces are marketed under the brand name "Kitchen Harvest" and now sell at 20p each.

● *Those living in or around Cambridge might like to know that Joshua Taylor of Bridge Street has a splendid collection of garden furniture of all sorts. From a natural beech and canvas director's chair at £21.95 to a luxurious swinging hammock with cushions and bolsters for £198.50, you ought to be able to find something to suit your purse and your garden.*

For those who feel that the uncertainties of the British weather only warrant a modest layout on garden furniture I think the range of Chestnut patio furniture from the Dordogne is exceptionally good value. It isn't immensely strong and won't last for ever but it is very attractive and reasonably priced. A single chair with arms, is £13.50, a two-seater sofa (soften it with cushions) is £34.50 and a small round table is £23.50.

ARTS

BBC MacNeice

BY ANTHONY CURTIS

Louis MacNeice's poem *Autumn Journal*, written between August and December, 1938, can still be read with enjoyment. It captured wonderfully well the beady depression of the pre-war British intellectual. In section iii of the poem MacNeice writes:

To preserve the values dear to the élite
The élite must remain a few.
It is so hard to imagine
A world where the many would have their chance without
A fall in the standard of intellectual living
And nothing left that the highbrow cared about.

Unimaginable though it may have been to MacNeice and his friends, that world is now with us. The élite—people with a response to the best that may be offered in literature, music and the other arts—has not remained a few, though its actual size would be hard to quantify. It is at any rate large enough for the very word to be suspect and carry a pejorative connotation which it did not have when used by MacNeice.

Nor, I suggest, is the situation quite as bad as he feared it would become: the standard of some aspects of intellectual living has fallen since before the war, but in others (the theatre, for instance) it has risen while its fruits are being appreciated by a great many more people. One of the most important reasons for the arrest of the decline MacNeice feared has been the policy of the BBC, first formulated by Sir William Haley, of maintaining minority channels like the Third Programme and Radio 3 where the standard of intellectual living may be sustained at a high level by creative people who are afforded the greatest possible autonomy. This is a truism but it is worth re-stating when a mood of retrenchment throws such a threateningly black shadow over this policy's continuation.

The freedom which poets and other imaginative writers now enjoy to try to express their myths and fantasies through the wonderfully flexible, sensitive radio medium was won for them by MacNeice and the other gifted members of the old Features Department under Laurence Gilliam. Here was an élite, but an élite open to anyone of talent, which until it finally fell apart through the tensions generated by its own creative force produced work some of which is likely to survive. The whole story set down in a book when it can be told, would in my view be well worth an Arts Council Grant or two.

In the meantime a book has just appeared, *Louis MacNeice in the BBC* by Barbara Coulton (Faber & Faber £12.50), which interestingly covers much of the ground from the point of view of this one outstanding writer. MacNeice joined the BBC as a writer-producer in 1941 and stayed with the Corporation for 20 years apart from a year and a half in Greece with the British Council. In 1961 he went on a part-time contract; when he died in 1963 at the age of 56 his last play had just been broadcast.

I had always thought of him as the author of two verse-plays originally written for radio, *Christopher Columbus* and *To the Dark Tower*, but until I read Barbara Coulton's book I had no idea of the vastness of his programme output including these works. The wonder is he wrote any poetry, apart for radio, at all. The author lists well over 100 original scripts ranging from early wartime propagandist work about London and life on an ex-American destroyer to plays about Chekhov, Grettir the Strong and a series of April Fool's Day fantasies revolving around the figure of the March Hare (played by Esmé Percy).

MacNeice identified closely with this madcap animal. He made him travel in contemporary Britain stirring things up among different social groups and trying to get time arrested. When he was not being eloquently foreboding, MacNeice could be extremely witty, though he had a disconcerting habit of shutting up like a clam in company.

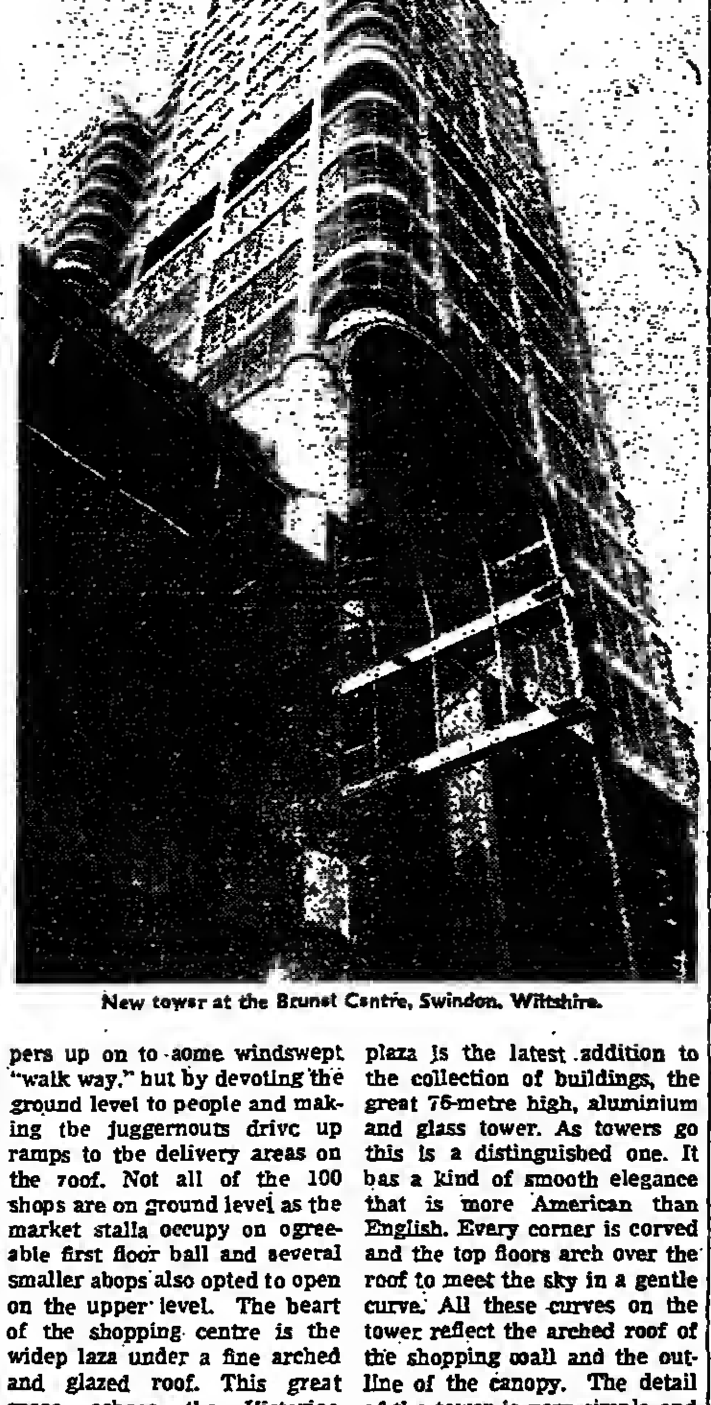
His great contribution to radio lay in showing how rapid and subtle a medium it could be in the transmission of dramatic parables, and how organically these could be combined with music. He was fortunate in having composers of the calibre of Benjamin Britten, Matyas Seiber and Antony Hopkins to work with on several of his scripts. He combined the mind of a classicist—he read Greats at Merton College—with the sensibility of a saga-addict. The result was that he had a heightened sense of the Quest which was the basic structure of all his plays and ideally suited to the requirements of radio: but MacNeice's quests were not without direction or engulfed in nebulous symbolic mist. They were a rational affirmation of the values in which he so passionately believed.

Surprising Swindon

Swindon is not the first place that springs to mind when your thoughts turn to architectural excitement. Although it is now the largest town in Wiltshire it has until recently been distinguished only by the small collection of company houses built for the employees of the Great West Union Railway and the aura of Victorian piety that still lingers in the church of St. Mark's by the railway. The model houses for the railway workers have recently been restored, and all the finely detailed Bath stone shines in newly washed brightness. It is fascinating to recall that the stone came from the excavation of the Box Tunnel.

Today Swindon has a new and impressive set of buildings that have been under construction since 1969 and are now complete and fully operational. Known as the Brunel Centre and the David Murray John Building the range of buildings includes shops, markets, offices and flats. The architects for the Brunel Centre were Douglas Stephen and Partners and they were joined by Building Design Partnership for the tower and later buildings. The enlightened client was the Director of Development and Housing of Swindon Borough Council (that later became Thamesdown District Council). It is important to mention the client because so many good buildings depend almost as much on the quality of the client as on the quality of the architect. Too many town centres were ruined in the 1960s and 1970s by thoughtless, greedy developments that masqueraded as "improvements" but were simply designed to make money and had little regard for the environment. Too often these hideous town centre developments were built with the connivance of the local authorities, planners and the grey officials of the Department of the Environment—all of whom were apparently wearing blinkers when it came to the quality of the architecture. Swindon was lucky. The Brunel Centre is one of the better post war town developments. Swindon has its share of architectural horrors—but they look even more shameful now that they can be contrasted with Mr. Stephen's and BDP's elegant efforts.

The greatest virtue of the new centre is a very simple one. The whole of the shopping area is devoted to pedestrians. This is achieved, not by forcing shoppers up on to some windswept "walk way," but by devoting the ground level to people and making the juggernauts drive up ramps to the delivery areas on the roof. Not all of the 100 shops are on ground level as the market stalls occupy an agreeable first floor hall and several smaller shops also opted to open on the upper level. The heart of the shopping centre is the wide plaza under a fine arched and glazed roof. This great space echoes the Victorian engineering achievements of the railway age but uses materials of a lighter weight—aluminium and polycarbonate sheeting instead of cast iron and glass. The floor of the plaza is patterned in black and white tiles arranged in an "op art" pattern. The entire shopping area is surrounded on the perimeter by a canopy that again provides important visual link to take the eye away from the garish diversity of the individual shop fronts.



New tower at the Brunel Centre, Swindon, Wiltshire.

On the axis of the shopping plaza is the latest addition to the collection of buildings, the great 75-metre high, aluminium and glass tower. As towers go this is a distinguished one. It has a kind of smooth elegance that is more American than English. Every corner is curved and the top floors arch over the roof to meet the sky in a gentle curve. All these curves on the tower reflect the arched roof of the shopping mall and the outline of the canopy. The detail of the tower is very simple and clear and there is no extraneous ornament. Swindon has acquired a high building that has a quality of design that is missing from most of the commercial towers in London and it is a landmark for a whole development of considerable quality. Isambard Kingdom Brunel may not recognise the Swindon he knew but he would enjoy the technical mastery demonstrated by these buildings that bear his name.

Colin Amery

West Square Electronics

BY DOMINIC GILL

Because of a last-minute fault in a crucial piece of equipment, the West Square Electronic Music Association had to reduce the two concerts they had planned to give at St. John's, Smith Square, last Wednesday and Thursday to one concert, and cut their programme in half. A salutary reminder that although hi-tech electronic installations can actually be more amenable to correction and even (by virtue of their dissimilar power-sources) more hard-working than human players, they are still no more reliable. . . .

The eventual programme was confined to tape-music, with and without live performers, and one purely amplified work. The most striking by far was a new piece for two-channel tape by Denis Smalley, *The Pulses of Time*—which, as it happens, is also the only British entry chosen for performance at this year's ISCM World Music Days in Israel in July. In the fast-developing field of electronic and computer music there is still a substantial creative gap between technician and musician; and Smalley seems to be one of that relatively small band of composers able to apply themselves convincingly, without self-consciousness or stiffness, to the business of music-making through electronic experiment.

In *Pulses*, he confines himself to particular and specific investigations of a limited number of techniques: but defines them, and persuades us to hear them, as poetry. The technical basis of the composition is no more than "the varied behaviour of pulses"; but there is no sense of theoretical demonstration: the elements are finely tuned and interrelated; the piece works, by itself, as a musical statement. Even at its most forceful, the assembly of sonorities is spare and delicate: the climax, a two-pronged "arch form/noise cascade," I found genuinely rousing, impressive.

By contrast, Tod Machover's *Soft Morning, city!* for soprano, double-bass and computer tape seemed over-written, overcrowded: many nice conceits, put together with a surfeit of enthusiastic invention that eventually defeated itself. Little of the text (from Joyce) was audible; each one of the three elements seemed slightly, but conclusively, out of gear with the rest. Barry Guy's *Quartet III* for string quartet and soprano was a long (23-minute) not unattractive confection of grand-romantic note-spinning and quirky, jerky gesture—that seemed neither to set out for, nor arrive at, anywhere in particular, and to add nothing perceptible (except a kind of vulgar gloss) to its text, Wilfred Owen's poem *Strange Meeting*. The strings and the voice were "electro-acoustically modulated"—grand words for "amplified." Stephen Montagu's *Gravity's Rainbow* for amplified flutes and tape was an unexceptionable essay in the genre: no recipe for a piece with pretty flute-sounds, and the song of birds and humpback whales, can go far wrong.

Dance Month

BY CLEMENT CRISP

BBC 2 TV is to present 21 programmes during June in a unique survey of dancing. This festival opens on May 31 with *La Sylphide*, directed by Derek Bailey, who was responsible for the MacMillan's *Mayerling* which won the Prix Italia in 1978. This is a recording of Peter Schaufuss' highly acclaimed production of the Bournonville classic for London Festival Ballet, with Eva Evdokimova, Schaufuss, and the great Danish mime Niels Bjorn Larsen as the witch Madge. The programme will also include the presentation of the Evening Standard Ballet Award to Schaufuss—which he won for this production and for his dancing—by Dame Alicia Markova.

Markova is also to be seen in three Master Classes, specially commissioned by the BBC, in which the great ballerina will coach Margaret Barbieri and David Ashmole of Sadler's Wells Royal Ballet in passages from some of her most celebrated roles: *Giselle* Act 2; the second act adage from *Swan Lake*, and *Les Sylphides*. A fourth master class will be given by Robert Cohan of the London Contemporary Dance Theatre, to members of his company and school, on June 23; on the previous day a double bill of Cohan's dances — *Waterless method of swimming instruction* and *Forest*—will be seen with members of LCDT.

The work of Martha Graham will be on view on June 14, when *Clytemnestra*—one of her grandest theatre pieces—will be transmitted in a performance by the Graham company, filmed in New York. Another New York film, *We Make Dances* (June 21), features the experiments of seven Post-Modern choreographers, but traditional ballet is not neglected. Scottish Ballet will be seen in a double bill of Peter Darrell's *Othello* and Jack Carter's *Three Dances to Japanese Music* (June 15); Anthony Dowell's performance in *Four Schumann Pieces* will be repeated on June 6, and *Assoluta*, a programme about Natalya Makarova which includes a performance of the Act 2 adage from *Swan Lake*, will be shown on June 28.

Christopher Bruce's exceptional interpretation with Ballet Rambert in *Pierrot Lunaire* is to be repeated on June 20; and two unusual documentaries will also be on view. *No Maps on my Taps* (June 26), concerns three black American tap dancers, now in their 60s, but tremendous performers still; *First Steps* is a film directed by Keith Cheetham about the remarkable ballet seminars which are organised every year in Ilkley by David Gayle, and will feature teaching by Markova, Beriosova, Gerd Larsen, and Anton Dolin.

The dance month ends with a remarkable coup: a performance of *Raymonda* from the Kirov Theatre, Leningrad. Petipa's last great success, with its magnificent Glazunov score, was created in this theatre in 1898, but has never been shown in the West by a Russian company.

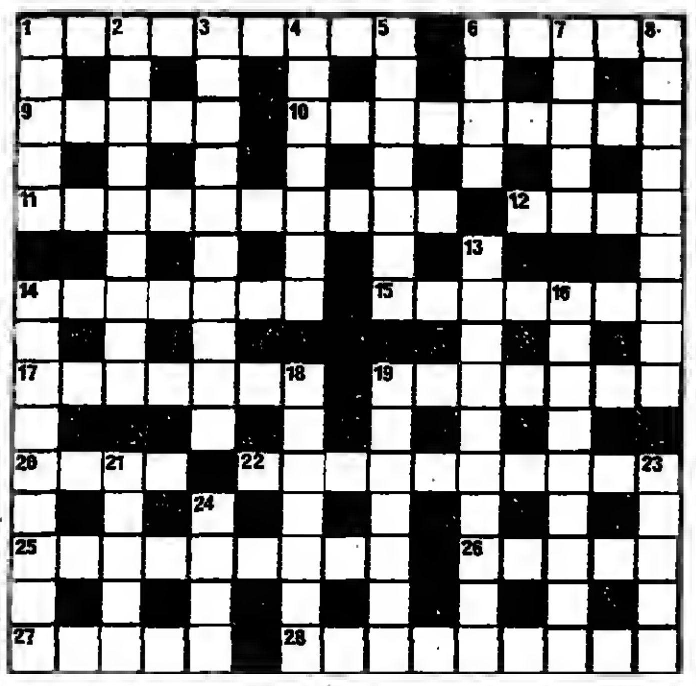
The month will also include a selection of dance films: *Tales of Beatrix Potter*; Gene Kelly's *Invitation to the Dance* (both on June 1); *42nd Street* (June 7); *Romeo and Juliet* (June 8); *Broadway Melody of 1940* (with Cole Porter songs, on June 21); *An American in Paris* (June 25).

F.T. CROSSWORD PUZZLE No. 4,280

A prize of £5 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....



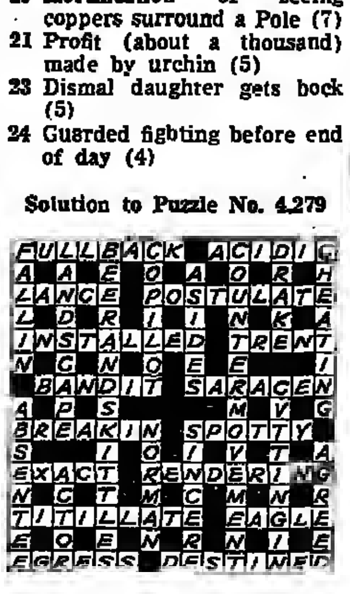
ACROSS

1 Worn on retirement from the army to Derby? (6, 3)
6 Pass the buck either way (5)
9 Bad language from Pole long in Scotland (5)
10 One has to rely on investment (4, 5)
11 Links with donkey never stop puffing (5, 5)
12 Friend one quarter light (4)
14 Homer on drunken bird (7)
15 Played the flute guided after horn note (7)
17 Unconscious person run over by train (7)
19 Argument Edward tucked up (7)
20 Wise men master soldier (4)
22 Frank resented fair (4, 6)
25 Curse upon mother country (9)
26 Cream the Spanish tie differently (5)
27 Small number in a New York badger (5)
28 Heavenly plough (5, 4)

DOWN

1 Cabs I mistakenly regard as essential (5)
2 There is little chance for how great an English novelist (4, 1, 4)
3 Encourage carpenter to have snack (3, 2, 5)
4 Hospital doctor heard English poet (7)
5 Authority for hothead to enter wood (7)
6 Pity girl brought to book in Bible (4)
7 Footballers and United Nations in association with animals (5)
8 Step inside plant by the water when retired (9)
13 Better to have a quantity of repeat orders (4, 4, 2)
14 Gather first person turns up to help Press and TV (4, 5)
16 I suggest we take the car that aims a blow (4, 5)
18 Wonderful way of getting rent (7)
19 Mortification of seeing coppers surround a Pole (7)
21 Profit (about a thousand) made by urchin (5)
23 Dismal daughter gets back (5)
24 Guarded fighting before end of day (4)

Solution to Puzzle No. 4,279

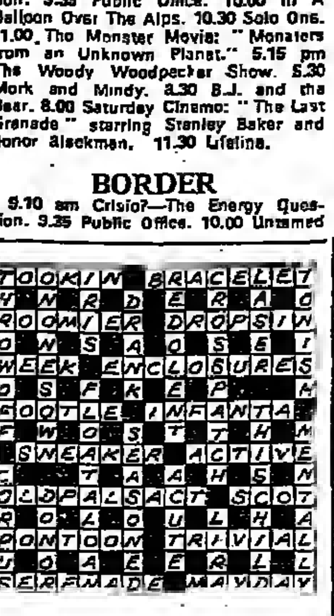


SOLUTION AND WINNERS OF PUZZLE No. 4,274

Mr. C. H. Card, 18 Nelson Road, Worthing, W. Sussex.

Mr. H. L. Hudson, 77 Windy Arbour, Kenilworth, Warks.

Mr. Neville Freifrau von Twickel, Buckingham Way 3, D-4050 Mönchengladbach 5, West Germany.



TV Radio

BBC 1

+ Indicates programme in black and white

7.15-8.30 am Open University (Ultra high frequency only). 9.00 The Banana Splits. 9.30 The Adventure Game. 9.55 Feeling Great! +10.05 Zorro. 10.30 Mickey Mouse Club. 10.52 Weather. 10.55 Golf: The Sun Alliance PGA Championship.
12.30 pm Grandstand: Football Focus (12.35); Golf (1.00) Sun Alliance PGA Championship; Racing from Haydock (1.20, 1.50, 2.20); Swimming (1.35, 4.50) ASA National Championships; Football (2.35) Scotland v England; Show Jumping (5.05) Lambert and Butler Tankard; 5.15 Final Score.
5.25 News.
5.35 Sport/Regional News.
5.40 Disney Time.
6.20 What's On Wogan.
6.55 Saturday Night at the Movies: "The Bank Shot," starring George C. Scott.
8.15 The Val Doonican Music Show.
9.00 Knots Landing.
9.50 News.
10.00 Match of the Day: Scotland v England (highlights).
11.00 Saturday Night at the Mill.
+11.50 Phil Silvers as Sergeant Bilko.

All Regions as BBC-1 except as follows:—

Cymru/Wales—5.35-5.40 pm Sports News Wales. 12.15 am News and Weather for Wales.

Scotland—12.15 am News and Weather for Scotland.

Northern Ireland — 5.35-5.40 pm Northern Ireland News. 12.15 am News and Weather for Northern Ireland.

England—5.35-5.40 pm (South West only) Saturday Spotlight.

BBC 2

7.40 am-2.45 pm Open University.
2.55 pm Saturday Cinema: "Clambake," starring Elvis Presley.
4.30 Golf: Sun Alliance PGA Championship.
5.40 Rocket 150.
6.10 Something Else.
6.50 Shakespeare in Perspective: "Hamlet" (a personal view by Clive James).
7.15 News and Sport.
7.30 New Town, Home Town by Colin Ward. British post-war planning: failure or success?
8.30 The Levin Interviews: Lyricist and composer Stephen Sondheim.
9.00 Film International: "The Marksman."
10.25 Return Call to Brass Tacks.
10.35 As The Japanese Like It. "Hamlet," and excerpts from Shakespearean productions in Tokyo.
11.50 News On 2.
11.55 Midnight Movie: "The Sea Wolf," starring Edward G. Robinson.

LONDON

8.40 am Sesame Street. 9.40 Fangface. 10.05 Superman. 10.30 "Flight of the Doves," starring William Rushton.
12.30 pm World of Sport: 12.35 On the Ball; 1.00 International Sports Special (Part 1) Ice Hockey — followed by the Australian Pools Check; 1.15 News; 1.20 The ITV Five—1.30, 2.00 and 2.30 from Doncaster; 1.45 and 2.15 from Warwick; 2.40 International Sports Special (Part 2) Scotland v England; 4.55 Results Service.
5.05 News from ITN.
5.15 Doctors and Nurses.
5.30 Happy Days.
6.00 Russ Abbot's Madhouse.
6.30 Chips.
7.30 Mixed Blessings.
8.00 Stars in Action: "Key West," starring Stephen Boyd.
9.45 Tales of the Unexpected.
10.15 News.
10.30 Charles Endell Esquire.
11.30 Pro-Celebrity Darts.
12.00 The Practice.
12.30 am Close: Personal choice with Isabel Dean.

All IBA Regions as London except at the following times:—

ANGLIA

9.40 am Tarzan. 10.30 "Africa—Texas Style!" starring Hugh O'Brian and John Mills. 5.18 pm Cartoon Time. 5.30 Mork and Mindy. 6.00 Sale of the Century. 6.30 A Man Called Sloane. 7.30 Russ Abbot's Madhouse. 8.00 How The West Was Won. 11.30 Soap. 12.00 The Adventure World of Sir Edmund Hillary. 12.30 am At The End Of The Day.

ATV

9.10 am Crisis?—The Energy Question. 9.35 Public Office. 10.00 In A Balloon Over The Alps. 10.30 Solo One. 11.00 The Monster Movie: "Monsters from an Unknown Planet." 5.15 pm The Woody Woodpecker Show. 5.30 Mork and Mindy. 6.30 B.J. and the Bear. 8.00 Saturday Cinema: "The Last Grenade" starring Stanley Baker and Honor Blackman. 11.30 Lifeline.

BORDER

9.10 am Crisis?—The Energy Question. 9.35 Public Office. 10.00 Untamed World. 10.30 Happy Days. 10.55 Roses Cricket. 0.15 pm Roses Cricket. 5.30 Mork and Mindy. 6.30 B.J. and the Bear. 8.00 Saturday Night at the Movies: "Candidate for a Killing" starring Anita Ekberg. 11.30 Pro-Celebrity Darts.

CHANNEL

5.14 pm Puffin's Pla(i)ce. 5.17 Cartoon Time. 5.30 Mork and Mindy. 6.30 B.J. and the Bear. 8.00 TV Movie: "See How They Run." 10.30 Sea and Ships. 11.00 Pro-Celebrity Snooker. 11.45 The Electric Theatre Show.

GRAMPIAN

9.05 am The Beachcombers. 9.30 Cuir Car. 10.00 Fangface. 10.30 Feature Film: "300 Spartans" starring Ralph Richardson and Diane Baker. 5.15 pm Cartoon Time. 5.30 Mork and Mindy, followed by Area Weather Forecast and Shinty Results. 6.30 The Incredible Hulk. 8.00 The Big Film: "Raid on Rommel" starring Richard Burton. 11.30 Seachd Laithean. 11.45 The Odd Couple. 12.15 am Reflections.

GRANADA

9.30 am Crisis?—The Energy Question. 9.55 Cartoon Time. 10.05 Tarzan. 10.55 Roses Cricket. 5.10 pm Roses Cricket. 5.30 Mork and Mindy. 6.30 Roses Cricket. 6.35 The Incredible Hulk. 8.00 Saturday Night at the Movies: "The Brotherhood" starring Kirk Douglas. 11.30 Darts World Knockout Cup. 12.00 For Adults Only: "The Man Who Had Power Over Women" starring Rod Taylor.

HTV

9.15 am Public Office. 9.40 Link. 10.05 Fangface. 10.30 "Robinson Crusoe and the Tiger." 5.15 pm Cartoon Time. 5.30 Mork and Mindy. 8.00 Saturday Cinema: Columbo. 11.30 The Electric Theatre Show. 12.00 The Entertainers: Ralph McTell.

HTV Cymru/Wales—As HTV West/HTV general service except:— 5.30-8.00 pm Sion a Sian.

SCOTTISH

9.10 am Crisis?—The Energy Question. 9.35 Build your own Boat. 10.05 Makin' It. 10.30 Kum Kum. 10.55 Roses Cricket—Yorks v Lancs. 5.15 pm Roses Cricket. 6.30 Roses Cricket. 6.35 A Man Called Sloane. 8.00 Feature Film: "The Borgia Stick." 11.30 Soap. 12.00 Fully Licensed for Singing and Dancing. 12.25 am Late Call.

SOUTHERN

9.00 am Sesame Street. 10.00 Chopper Squad. 10.57 Regional Weather Forecast. 11.00 Southampton Cricket: Hampshire v Kent. 5.15 pm Magilla Gorilla. 5.30 Mork and Mindy. 6.30 Charlie's Angels. 8.00 "The Lives of Jenny Dolan" starring Shirley Jones. 10.30 Southern News. 10.35 The Barry Westwood Talkabout. 11.35 Barney Miller.

TYNE TEES

9.00 am The Jetsons. 9.25 B.J. and the Bear. 11.00 Saturday Shake Up at Newcastle's 900th Birthday Party. 5.18 pm Roses Cricket. 5.30 Sale of the Century. 6.30 Roses Cricket Report. 6.35 A Man Called Sloane. 8.00 Saturday Shoot-Out: "A Man Called Sledge" starring James Garner. 11.30 Jazz Night—Chicago Blues. 12.30 am Epilogue.

WESTWARD

9.30 am Sesame Street. 10.30 Look and See. 10.35 Feature Film: "Nearest And Dearest" starring Hylda Baker and Jimmy Jewel. 12.00 Gus Honeybun's Birthdays. 12.03 pm Rocket Robin Hood. 12.27 Westward News. 5.14 Westward News. 5.17 Cartoon Time. 5.30 Mork and Mindy. 6.30 B.J. and the Bear. 8.00 TV Movie: "See How They Run." 10.30 Sea and Ships. 11.00 Pro-Celebrity Snooker. 11.45 The Electric Theatre Show. 12.10 am Faith for Life. 12.15 West Country Weather and Shipping Forecast.

YORKSHIRE

9.30 am Rocket Robin Hood. 9.15 Beachcombers. 9.40 Lucan. 10.30 Bailey's Bird. 10.55 Roses Cricket: Yorkshire v Lancashire from Headingley. 5.15 pm Roses Cricket. 6.30 Roses Cricket. 6.35 A Man Called Sloane. 8.00 The Big Film: "Raid on Rommel" starring Richard Burton. 11.30 Vegas.

(s) Stereophonic broadcast
‡ Medium wave

RADIO 1

5.00 am As Radio 2. 7.00 News. 7.03 Playground. 8.00 Tony Blackburn with Junior Choice. 10.00 Peter Powell. 1.00 pm Adrian Juste (s). 2.00 A King in New York (s). 2.05 Paul Gambaccini (s). 4.00 Rock on Saturday (s). 7.30-2.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.02 Tom Edwards (s) including 6.03 Racing Bulletin. 8.05 David Jacobs with Star Sounds (s). 10.02 Pete Murray's Saturday Show (s). 1.02 pm Punch Line. 1.30 Sport on 2: Football Special (1.30, 2.10, 2.35, 3.00, 3.55, 5.00) Scotland v. England; Racing from Haydock (1.30, 1.55, 2.25); Rugby Union (1.30, 2.20, 2.45, 3.45, 4.50, 5.25) British Lions v. Orange Free State; Swimming (1.30, 2.15, 2.50, 3.50, 4.50, 5.30) Optrex National Championships; plus news of cricket, tennis, golf, showjumping and at 5.45 Classified racing results: football. 6.03 European Music Gems. 7.02 Three in a Row. 7.30 Sports Desk. 7.33 Big Band Special (s). 8.02 Saturday Night is Gala Night (s). 10.02 Sentimental Journey (s). 11.02 Sports Desk. 11.10 Bob Kilbey with The Late Show (s) including 12.00 News. 2.02-5.00 am You and the Night and the Music (s).

RADIO 3

†7.55 am Weather. 8.00 News. 8.05 Aubade (s). 9.00 News. 9.05 Record Review (s). 10.15 Stereo Release (s). 11.15 Bandstand (s). 11.45 Diversions (s). 1.00 pm News. 1.05 Early Music Forum (s). 2.00 Play It Again (s). 5.00 Jazz Record Requests (s). 5.45 Critics Forum. 6.35 The Organ Works of J. S. Bach (s). 7.15 Esterhazy Quartet play Mozart on authentic instruments (s). 8.15 Many a Beautiful Thing had the People who are Gone. Portrait of Alexander Carmichael, collector of poems and legends of North West Scotland. 9.00 Boston Symphony Orchestra concert, part 1 (s). 9.40 A Musical Ramble (s). 10.00 Boston SO, part 2 (s). 10.45 Havergal Brian piano recital (s). 11.00 News. 11.05-11.15 Closedown, music by Bach (s).

VHF ONLY—Open University: 6.00-8.00 am and for Scottish students only: 12.00-1.00 am.

RADIO 4

6.25 am Shipping forecast. 6.30 News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather; programme news. 7.00 News. 7.10 On Your Farm. 7.40 Today's Papers. 7.45 Yours Faithfully. 7.50 It's A Bargain. 7.55 Weather; programme news. 8.00 News. 8.10 Sport on 4. 8.45 Today's Papers. 8.50 Yesterday in Parliament. 8.59 Continental travel. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 The Week in Westminster. 10.30 Daily Service. 10.45 Pick of the Week (s). 11.35 International Assignment. 12.00 News. 12.02 pm Money Box. 12.27 Conversation Piece: Sir Fitzroy Maclean, writer, diplomat, soldier, MP. 12.55 Weather; programme news. 1.00 News. 1.10 Any Questions? 1.55 Shipping forecast. 2.00 News. 2.05 Wildlife. 2.30 Little Dorrit. 3.25 Join Radio 3. 5.00 You Are What You Eat. 5.25 Week Ending. 5.50 Shipping forecast. 5.55 Weather; programme news. 6.00 News. 6.15 Desert Island Discs with Earl Hines. 6.55 Stop The Week with Robert Robinson. 7.35 To Troy: Homer's "Arena" (talk by Stephen MacDonald). 8.00 The Shaw Festival: "Man and Superman" (s). 9.58 Weather. 10.00 News. 10.15 The Angel of the Prisons. 11.00 Lighten Our Darkness. 11.15 The Magic of Music (s). 12.00 News.

CHESS SOLUTIONS

Solution to Position No. 321

Black won by combining the back row and long diagonal mate threats: 1...Q-R5! 2 Q-Q2, Q-Q5; 3 Q-K1, Q-K5 and White resigned. If 4 QxQ, RxR ch or if 4 P-B3, QxQ ch, or if 4 Q-B1, Q-R8 mate.

Solution to Problem No. 321

1 Q-N2 (threat 2 Q-K2 ch, K-Q4; 3 R-B5). If 1...K-Q4; 2 Q-N3 ch, K-K5; 3 Q-B3. If 1...P-Q6; 2 NxP ch, K-K6; 3 Q-B2. If 1...K-K6; 2 N-B5 and 3 Q-B2.

COLLECTING

In their own fair hand

BY JUNE FIELD

There can be no doubt that the handwriting of a man is related to his thought and character, and that we may, therefore, gain a certain impression of his ordinary mode of life and conduct. ... ...

Goethe, writing to Cardinal Preusker.

WHILE George Bernard Shaw had a poor opinion of autograph hunters—"Let no collector of autographs call himself a Humanitarian. They are wasters and tormentors"—he wrote in someone's album. Nonetheless the acquisition of autograph letters and manuscripts is a flourishing field. The term autograph, deriving from the Greek for self and to write, does not, of course, refer only to a signature, but covers the far more desirable ALS (autograph letter signed, one written entirely in the hand of the person signing it), and similarly, signed manuscripts and documents.

And as Mr. A. M. Broadley, author of *Dr. Johnson and Mrs. Throle*, commented in his *Chats On Autographs*, 1910, "those who deliberately cut signatures from important letters are in reality the worst enemies both of the autograph collector and the historian." (Incidentally, the presentation copy I have of Broadley's books is signed by the author for his friend Bertram Dobell — "in remembrance of two fine Beckford letters.")

Signatures have an honourable history though, the *album amicorum* going back to 16th-century Germany, when students who attended several universities kept *stambücher* as a record of the eminent people they met on their travels.

Most collectors in the field of English literary autographs begin by acquiring a letter or manuscript of their favourite author. "This first impulse, usually accompanied by a delightful bewilderment that it is at all possible to obtain anything in the autograph of a writer whose genius has touched them, is prompted by the purest desire . . ." says Mr. Roy L. Davids in an indispensable new reference work, *Autographs and Manuscripts: A Collector's Manual*, edited by Edmund Berkeley, Jr. (J. M. Dent, £15).

And it is this degree of novelty and specialisation that can put the novice ahead of the market, declares Mr. Davids, director and head of the manuscripts department at Sotheby's, who has just catalogued the extraordinary eclectic collection of autograph letters, historical documents and signed photographs formed between 1930 and 1979 by the late R. E. D. Rawlins, which comes up for sale on Monday, Tuesday and Wednesday, June 2, 3 and 4.

Mr. Ray Rawlins (1917-1979), son of a former British Indian Army and joined the Colonial Service in 1945, becoming a magistrate in Botswana and the Seychelles, and District Commissioner in Switzerland, retiring to the Isle of Man in 1965. Over the years he amassed an incredible 30,000 items on a remarkable plethora of subjects, widely recognised as the largest of its type in private hands.

The scholarly catalogue of 1,247 lots, some of which contain several hundred items, costs £6 from Mr. Davids, Sotheby's, 34 and 35, New Bond Street, London, W.1. The index starts with Abdullah Ibn Hussein (1882-1951), King of Jordan, who fought with Lawrence of Arabia against the Turks, and finishes at Count Zeppelin, Zola, and Zulu Chiefs.

In between all human life is here, from the trivial to the traumatic. A curt note from Beau Brummell to his tailors, assuring them that although he is going away, he will settle his bill later, advice from Dr. Crippen on deafness, headaches and catarrh, an extremely rare picture postcard of Prince John (1905-1919), youngest son of George V and Queen Mary, inscribed with love from Johnnie, and an equally rare signature of Stalin at the Potsdam Conference, together with a poignant letter from the former wife of the wireless operator at the conference who obtained the signatures. "He was hooked back from the Conference with two others in a small plane. At the last moment he and his companion were grounded to allow Glen Miller to have their seats. That was the plane in which Glen Miller was lost."

While many of the lots are in the £20 to £30 category, the star piece, a fine Henry VIII letter of introduction for his servant Ludovici Da l'Armi, written in elegant diplomatic Latin, has an estimate of £6,000-£7,000.

The sale also includes photographs and signatures of royalty from George II to Princess Margaret, politicians from Disraeli to Douglas-Hume, popular entertainment personalities, from Annie Oakley to Bardot and the Beatles, plus a rare autograph triplet from David Garrick.

Let not with Barbarism true Taste be blended,

Signed photograph of Edward VIII when Prince of Wales, in Sotheby's sale on Monday, Tuesday and Wednesday 2, 3 and 4 June, of the collection of Autograph Letters, Historical Documents and Signed Photographs formed between 1930 and 1979 by the late D. E. Rawlins Esq.

Old Vulgar virtues cannot be defended—
Let the Dead rest—the Living can't be mended.

For further reading there are Rawlins' two books *Four Hundred Years of British Autographs* (Dent 1970), and *The Guinness Book of World Autographs*, 1977, £7.95. Charles Hamilton's *The Book of Autographs* (Simon and Schuster, New York, 1978), gives the background of what this American dealer terms philography, "the science of gathering letters and documents of historic or cultural value," and *Early Autograph Albums in the British Museum* by M. A. E. Nickson (1970), lists the albums in the museum.

Issues for Europe

STAMPS

JAMES MACKAY

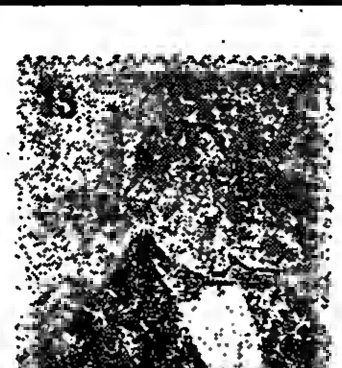
THE 20th anniversary of the European Posts and Telecommunications Conference (CEPT) is being celebrated in Naples this year. Among the festivities is an international stamp exhibition devoted to the Europa theme which began in 1956 as an EEC project but was taken over four years later for CEPT whose members included most of the countries in Western Europe. Britain participated in the Europa stamps of 1960 and 1961, but then dropped out, possibly on the ground that such an annual issue placed too much of a strain on the then very conservative policy.

For the 20th anniversary, however, Britain has rejoined the Europa bandwagon. Originally scheduled for June 18, the issue is being put back till July 9 to allow collectors, dealers and the long-suffering public a chance to digest the diet of new stamps and miniature sheet served up at the recent London 1980 stamp exhibition. While most countries are content with two stamps, Britain is going for four — doubtless in a bid to make up for lost time.

As it is the middle point of the UN Decade for Women, lady novelists are the subject of the stamps. Two of the stamps portray Charlotte and Emily Brontë, with scenes from Jane Eyre and Wuthering Heights respectively. Already there have been foolish niggles about the omission of Anne Brontë on the analogy that one would hardly Marx Brothers, but this would be to elevant Anne Brontë to hte status of her sisters. The Post Office has quite rightly reserved the remaining pair for George Eliot and Mrs. Gaskell, with scenes from their novels The Mill on the Floss and North and South. All four stamps were designed by Barbara Brown.

The common themefor this year's Europa stamps is famous personalities, a subject providing the widest possible scope, yet it is surprising how varied has been the treatment and, significantly, the people selected for portrayal. Some of theme are household words everywhere; others are so obscure that it is virtually impossible to find any mention of them in the most encyclopaedic works of reference. The most obvious choice is St. Benedict, officially designated by the Holy See as Father of Europe and Patron of the West, and he has been chosen by France, Belgium and Luxembourg. In addition single stamps celebrating the 1,500th anniversary of his birth have been released by Italy, Austria and San Marino have issued stamps for the Europa stamp exhibition and will be issuing Europa sets in the personalities series later this year. Austria's Europa stamp has been postponed till the end of the year to coincide with the birth centenary of the composer Robert Stolz.

France's other Europa stamp portrays Aristide Briand, the European statesman, but it has been left to the French post office in tiny Andorra to maintain the spirit of *la gloire* by portraying Charlemagne and Napoleon who did their bit for Europe by conquering it. Few countries have followed Britain into the feminist camp. Liechtenstein is portraying Princess Maria Leopoldina Esterhazy and Maria Theresa, Duchess of Savoy—not to be confused with the Empress of that name, the bicentenary of whose death is currently being celebrated by a set of three stamps from Austria. Three countries have given the sexes equal billing with one stamp apiece to the ladies. Greece is depicting the poet George Seferis and the opera singer Maria Callas, but the personalities from two Scandinavian countries are less well-known. The Danish pair feature the writer Karen Blixen and the physiologist August Krogh, while Sweden has chosen Elise Jensen, the propagandist for birth control and sex education, and Joe Hill, author of The Red Flag and trade union agitator who was executed in the Salt Lake City penitentiary in 1915.



Irish issue, painting of Oscar Wilde by Toulouse-Lautrec

A poet of a totally different quality is the subject of both Europa stamps from the Isle of Man. The large-format stamps incorporate portraits of T. E. Brown, with scenes and extensive quotations from his works in Manx dialect and standard English. Guernsey has chosen martial personalities—General le Marchant and Admiral Lord de Saumarez, but Jersey has craftily produced bipartite stamps, each pair making up one of the tableaux in Elizabeth Castle, but the individual parts bearing a portrait. Thus the two 8p stamps show Sir Walter Raleigh and the engineer Paul Ivy, while the 13½p stamps depict Charles II granting the charter of New Jersey to Sir George Carteret.

My personal choice, however, must be the splendid pair from Ireland. Apart from giving philatelic recognition — long overdue—to the two most eminent dramatists in the English language at the turn of the century, they provide novel twists to the somewhat hackneyed theme of art reproduced on stamps. The portrait of George Barnard Shaw is taken from a Spy cartoon in Vanity Fair, while the painting of Oscar Wilde is by Toulouse-Lautrec.

The other issues are a mixed bag. Germany and Cyprus have opted for saints (Albertus Magnus and Barnabas) and ...bniz and Zeno of Citium). Finland has selected two Nobel prizewinners—Sillanpaa (literature) and Virtanen (chemistry), Spain is portraying the playwright Lorca and the philosopher Ortega y Gasset, while Portugal has chosen the explorers Serpa Pinto and Vasco da Gama. Gibraltar and Turkey have issued three stamps apiece, a businessman (John Mackintosh) an archbishop (Amigo) and an artist (Bacarisas) from the former and a brace of painters and a dermatologist from the latter. Yugoslavia's pair both portray Tito and were released a few days before his death.

CHESS

LEONARD BARDEN

For many club players who have family commitments or are otherwise occupied at weekends the weekly visit to their club is the only chess they get. If they require serious match chess, the only opportunity is likely to be in representing the club team in the local league.

It is not known exactly how many such leagues exist in Britain, possibly as many as a hundred, but what is sure is that they vary greatly in playing strength, in conditions and in attitudes to finishing the games.

Some leagues covering major cities have many divisions with a thousand players or more registered to compete. Matches normally take place on weeknights starting between 6.45 and 7.30, but in areas where the clubs are more scattered Saturday travel to distant opponents is usual.

The strongest league is in London where most matches take place, at St. Bride's Institute, Ludgate Circus. London's top division games are adjourned after 30 moves or so, resumed at a later date, and effectively played to a finish. The leading teams such as Streatham, Charlton and Islington are not quite of the calibre of the sponsored European clubs like Volmac Rotterdam and Solingen but still include several top boards of British Championship strength.

The greatest gap in conditions and the one feature which distinguishes the serious league from the not so serious is whether there is a reasonable attempt to play games out or at least to continue until the end game. In many leagues this does not happen and unfinished positions are sent for adjudication after 30 or so moves and perhaps only two and a half hours play.

Adjudications have always been so unpleasant and often controversial business. It is fair comment to say that whereas the adjudicator has to rule on what the outcome of a game would be with correct play on both sides, the players may well have produced something quite different in another session of play.

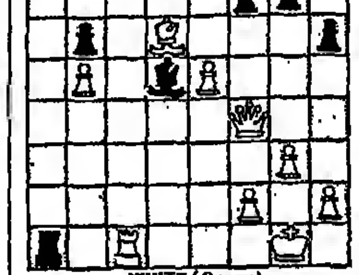
Now that British chess has improved its prestige so much in the last decade it is high time that adjudications, which have no place in regular tournament chess, were reduced in importance in league play. It is not practical to scrap them altogether, since congress-type finishes where results are decided by flagfall on the chess clock require a controller to ensure that neither side tries to win purely by reaction speed.

What should be done is to adopt another congress technique where the time limit is speeded up after the first control. In the two and a half-hour session typical of evening league chess, this would mean replacing the conventional limit of 24 moves an hour followed by six in each quarter—which results in many positions being sent for adjudication with most of the pieces still on the board —with perhaps 28 moves in the first hour followed by 12 in the last 15 minutes, thus reaching move 40 under the players' own steam rather than only move 30. Such a change would significantly reduce adjudications in general and adjudications with only a slight edge for one side in particular. Evidence from master tournaments is that the period from moves 30-40 is frequently the crisis of a game.

By providing more experience of endgames, this type of rule amendment could be expected to raise the general standards of league chess just as weekend congresses have done for the general body of active tournament competitors. But for it to happen somebody has to take a lead and make an appropriate proposal at one of the league AGMs which normally take place at the end of the season or just before the new one. If any leagues take action to reduce adjudications in 1980-81 I should be interested to hear from them and to report on the results of their pioneering experiment.

POSITION NO. 321

BLACK (8 men)

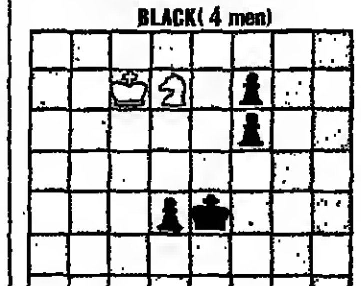


WHITE (9 men)

Haritonov v. A. Ivanov, USSR Young Masters 1980. Black (to move) is a pawn down with attacking chances. What should he play next, and how should the game go?

PROBLEM NO. 321

BLACK (4 men)



WHITE (4 men)

White mates in three moves at latest, against any defence (by J. Pospisil).

Solutions Page 12

BRIDGE

E. P. C. COTTER

DECEPTION IS part and parcel of the bridge player's armoury. The declarer, who has no partner to mislead, may indulge in blatant false-carding without danger, but the defenders, too, can employ deceptive tactics, as we shall see today.

My first example comes from rubber bridge of above average standard:

N.
♠ 7 5
♡ 8 2
♢ A 10 8 6 5 2
♣ A J 2

W.
♠ K 10 6 2
♡ K 10 9 6 4
♢ Q J 3
♣ 10

E.
♠ A J 9 3
♡ J 7 2
♢ 7
♣ 9 8 7 6 4

S.
♠ Q 8 4
♡ A Q 5
♢ K 9 4
♣ K Q 5 3

With both sides vulnerable, South dealt and bid one no trump, which North raised to three. West led the six of hearts, and East played the Knave. Let us first see how play might go in an average rubber. South wins with the Queen, cashes his diamond King, and plays a second diamond, West contributes the Queen, and dummy's Ace wins. A third diamond loses to the Knave, and East throws a heart.

West can see that there is no future in continuing hearts, so he switches to the two of spades. East wins with the Ace, and returns the three, the defence collect four tricks in the suit, and the contract fails by one trick.

Now let me tell you what happened in actual play. The declarer won the opening lead not with the Queen, but with the Ace of hearts. He then crossed to the club Ace, and returned the two of diamonds, playing the nine from hand. West won, and continued with his four of hearts, expecting his partner to win the with the Queen. To his surprise the declarer produced the Queen, and then made his contract with two overtricks.

It is true that, if the diamonds break 2-2, South can collect 12 tricks by winning trick one with the heart Queen, but this declarer decided to rely on deception, and who can criticise him? Remember, the diamond break is less than an even money chance.

We turn to the defensive angle:

N.
♠ K 8 3
♡ A J 10
♢ 5 3
♣ A Q 10 7 2

W.
♠ 5 2
♡ 9 7 4
♢ Q J 9 8 6
♣ 8 6 4

E.
♠ Q 10 6
♡ 8 6 5 3
♢ 10 7 4 2
♣ K 5

S.
♠ A J 9 7 4
♡ K Q 2
♢ A K
♣ J 9 3

In this hand from a championship pairs event North dealt and opened the bidding with one club, to which South made a forcing response of two spades. North raised to three spades. South rebid four diamonds, and after four hearts from his partner, bid the small slam in spades.

West led the diamond Queen, East played the seven, and the Ace won. The slam, it seemed, depended upon one of two finesses, and the declarer decided to test the club suit by leading the Knave. After low cards from West and dummy, East had to make a quick decision. He could see what was going to happen.

If he won with his King, the declarer would then take the trump finesse, and this, as he knew, would work. Desperate measures were needed—East allowed the Knave to hold. Satisfied that there was no club loser, the declarer cash Ace and King of spades, in order to minimise the risk of a club being ruffed.

Both defenders followed, and South turned his attention once again to the clubs, running the nine. To his surprise and consternation, East won with the King, and cashed the trump Queen to set the contract by one trick.

Full marks to East for a brilliant conception, and the nerve to put it into practice.

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Saturday May 24 1980

In Britain it takes time

NEVER HAS the contrast between the British and American strategies against inflation been clearer than they are after this week's events. In America the short, sharp, shock treatment has evidently been judged a success, at least within the Federal Reserve, a mere two months after the authorities stopped vacillating in the face of inflation and imposed a sharper credit squeeze and higher interest rates than the American economy had ever had to face before. Nobody could have dreamt, at the time of President Carter's March package that by May the Fed would be looking on benignly as the Federal Funds rate fell to 8¾ per cent, which compared with a peak of 19½ per cent reached only last month.

Clearest signal

But it was with Thursday's decision to ease many of the credit restrictions which it had so recently imposed that the Fed gave its clearest signal that the squeeze had gone far enough. The banks and money market funds, which had found the Fed's reserve requirements and credit growth limitations much more stringent than most observers had expected two months ago are not yet free to return to their easy money habits. The Fed's request that banks curb loan growth to between 6 and 9 per cent still stands. But even in this area a long list of exceptions for sectors with "urgent needs," is now to be allowed.

Meanwhile in Britain the seemingly never-ending war of attrition against inflation goes on. It must have been thoroughly galling for the leaders of the Confederation of British Industry to learn about the fall in American interest rates on the morning after they had heard the Chancellor scorning at the CBI's annual dinner, the idea of "making rash predictions about when interest rates will come down." Some of the Conservative Party workers who were regaled on Wednesday with their economic Ministers' visions of a titanic struggle against inflation that still lies ahead, a year after the newly-elected Goverment declared the war against inflation to be its highest economic priority, must be wondering whether there is not a quicker, and ultimately less painful, remedy than the "protracted winter of discontent" which Ministers now see ahead.

But, tempting as this is, the comparison between British and American monetary experience should not be taken too far. Certainly it would be premature for British Ministers to try to emulate the Fed's performance before it becomes clearer that this performance has not itself been misjudged.

It would be pleasant to think that the Fed had got its policy exactly right and thereby proved that a single well-timed blow can have such a profound effect on inflationary expectations, as well as on demand growth, that the tide of rising inflation has now been turned. Unfortunately it will be many months before the true effects of the Fed's measures emerge.

It is, however, intrinsically implausible that a squeeze as short as the one that America has experienced could have pushed the economy very far away from the direction in which it was already heading. The Fed's success in turning the economy round was dependent on the deflationary pressures which had already been building up in America for more than a year. It looks as if the Fed's effect on the American economic growth was more like that of a catalyst than a steamroller.

This applies with equal force to inflationary expectations. In an economy where inflation is as deeply ingrained as it is in Britain, it is very questionable whether anything other than a long struggle can wipe out the inflationary habits. This is another way of saying that wage-push is much stronger in Britain than in the U.S.

It is far easier to influence, through monetary and credit policy, consumers' and industrialists' decisions about whether to buy goods in advance of inflation, than to persuade wage bargainers that a prospective fall in inflation, justifies a lower pay demand.

But even if workers' inflationary expectations could be reduced, the problems of restoring to health an economy which has been afflicted by wage-push inflation for over a decade would be far from solved. For in Britain, it would not be enough for workers merely to take a more optimistic view of inflation in setting their wage claims. In many industries, and particularly in the public sector, they have to accept reductions in their pay, in real terms.

Bound to be longer

It is because Britain's inflation is a symptom, as well as a cause, of many other economic ills, that the war against inflation is bound to be longer than in other economies. Whatever policy the Government adopts, if it has the effect of reducing inflation, the withdrawal symptoms are certain to be unpleasant.

This does not mean that the Government should impose unnecessary hardship on the nation, and particularly on manufacturing industry. But the Government is right to explain clearly and forcefully, that a great part of the struggle against inflation and its causes still lies ahead.

A shaky run-up to Moscow

By CHRIS SHERWELL and MICHAEL THOMPSON-NOEL in London

THE FURIOUS global debate over the fate of the 1980 Olympics reached a crescendo this week as the deadline approached for over 140 countries to accept invitations to Moscow. For the unfortunate athletes most affected by the outcome, however, the nagging uncertainty seems bound to continue throughout the run-up to the opening ceremony on July 19—and the future of the modern Olympic movement remains unclear.

Two months ago, when the uncertainty was perhaps at its height, the fate of the Moscow Games appeared to hang most critically on a decision by the National Olympic Committees of three countries—the U.S., Britain and West Germany. If these committees accepted their governments' views, and decided to boycott the games in protest at the Soviet invasion of Afghanistan, many others seemed likely to follow, and the games would be a near-farce.

Today this domino theory appears discredited. While the U.S. Olympic Committee has backed President Jimmy Carter, the British committee has stuck by its refusal to support Mrs. Thatcher's hard line, and the West German committee's decisive acceptance of a boycott 10 days ago has unexpectedly set no trend at all.

Committees in Italy, Belgium, Ireland, the Netherlands and Australia have since joined France in favour of going to the games, and the Western dominoes that were supposed to fall neatly in a row have not done so.

Therefore the attempt at a boycott looks like falling well short of the full success President Carter has so avidly sought. The Olympics will go ahead, and will still probably be the most important international sports festival staged in the world between 1976 and 1984. And the boycott, being so incomplete, will embarrass the Western alliance by showing up its lack of solidarity.

However, few people are prepared to write off the boycott effort as a complete failure. With some countries due to decide their position today—notably Japan—the present line-up is estimated as: participating—59 countries; not participating (but including about a dozen lacking resources or athletes)—64 countries. Soviet officials claimed earlier this week that 102 countries would be represented.

The battle of the boycott is, moreover, far from ended. Many national Olympic teams have still to be selected, and names can be submitted up to 10 days before the games open. Countries which come under further pressure could still submit a nil return. May 24, in short, is not the real deadline, and the uncertainty will persist.

Whatever happens, however, it is already clear that a number of sports will be seriously affected because of the absence of the U.S., West Germany, Britain, Canada and Kenya. Figures from the Montreal Games in 1976—which were admittedly affected by a boycott themselves—show that the U.S. and West Germany came second and fourth in the medals league table, and together took some 25 per cent of all medals.

U.S. athletes and swimmers reaped a huge harvest of medals in Montreal—in the case of swimming, half the available crop. Other sports badly affected will be archery, where the U.S. took all the golds, boxing (five golds out of 11) and basketball.

The Soviet Union, for all its complaints, has wielded the sport weapon

Wrestling, shooting and fencing will also suffer. And equestrian and yachting teams have been withdrawn by many countries which have otherwise ignored the calls for a boycott.

The divisive effects of the boycott have been significant, extending a long way down from the strains undoubtedly felt within the Western alliance. Governmnets, political parties, international and national sports bodies, fans and TV viewers have all been affected by an issue which is both complicated and morally confusing.

The biggest sacrifice is being borne by the athletes. They have spent many long hours each week preparing over many years for a supreme test of ability. For the best, success might have been a stepping stone to a wealthy future. They feel it is unfair to be asked to give up the opportunity unless governments take other actions too—severing trade ties and withdrawing ambassadors being the most commonly suggested moves.

Companies involved in sponsorship or manufacturing Olympics-related goods and equipment have also complained. The U.S. broadcasting company, NBC, is likely to make insurance claims of up to $35m because it cannot cover the games.

While pro-boycott governments have tried with varying degrees of success to answer these protests and objections, they have also pressed their viewpoints relentlessly. There have been threats to withdraw sport subsidies and extra cash inducements have been offered to national committees to support the boycott. Civil servants and members of defence forces have been refused leave and teams which go to Moscow have been warned that consular services will not be available. And there have been bans on trade relating to the Olympics.

Parliaments have been persuaded to support pro-boycott moves, and Heads of Government have written public letters to National Olympic Committees. A frantic round of diplomacy has been conducted, to co-ordinate positions and to encourage alternative international competitions. None of this pressure seems likely to end until the day the Olympic Games begin.

Simultaneously, the Soviet Union has itself assiduously cultivated wavering Olympic Committees in various countries, despatching special emissaries around the world and offering subsidised air fares to those short of cash because of withdrawal of private, commercial and government aid. Some of these efforts have been successful, some not—Argentina, for one, has decided not to go to Moscow.

Lord Killanin, the president of the International Olympic Committee, has campaigned round the globe to save the games, backing local committees and having personal meetings with President Carter and Mr. Brezhnev.

Mr. Brezhnev is said to have agreed to the idea of dropping the use of national anthems and flags at the games. Another important card up the IOC's sleeve is to allow athletes to enter as individuals. Though this still has to be agreed, it could also help undermine the boycott if athletes are determined to participate.

In all this debate, some issues have simply been lost. For example, without the Soviet invasion of Afghanistan last Christmas, few of the arguments since raised—about politics and sport, Soviet gains from staging the Games and Soviet repression of dissidents—would have been likely to gain the attention they have won since. After all, Moscow had been given the games several years before; for years, too, it had retained a strong presence in Afghanistan.

Moreover the Soviet Union, for all its recent complaints about the use of sport as a *political weapon*, has wielded the same weapon itself many times in the past. Soviet teams boycotted athletics meetings in the U.S. in 1966, 1967 and 1968 in protest at U.S. involvement in Vietnam; the 1967 World University Games in Tokyo because of a dispute over the precise wording of North Korea's title; the qualifying round of the 1974 World Cup in soccer because it was held in Chile; the 22nd Chess Olympics because it was held in Israel; and two world championships (shooting and women's basketball) in 1978 and 1979 because South Korea was the host.

The Soviet Union has also refused to play Chile in the Davis Cup, and boycotted numerous sports events in West Berlin. The country stayed out of what it called the "bourgeois Olympic movement" from 1917 to 1951, and threatened to boycott the Mexico Games in 1968 unless South Africa was excluded—which it was.

Officials in pro-boycott countries insist that the principal aim of their action has simply been to show the people of Russia their displeasure at the Soviet invasion of Afghanistan and to do so in the most effective way possible. That has meant through the Olympics, an event intended by Moscow to enhance the Soviet Union's international and domestic prestige.

Ordinary Soviet citizens know their sport, the argument goes, even if they are officially misled about the reasons U.S. swimmers, say, are not competing. Pro-boycott governments believe it is essential to take a stand however ineffectual it may finally turn out to be.

Certainly these Olympics could be the last of their type, even if a permanent Olympic site is eventually created. If so, the recriminations will be long and bitter.

Annegret Richter, who won a gold medal for West Germany in the 100m sprint at Montreal, has become something of an unofficial spokesman for the serried ranks of disgruntled German Olympic athletes. While she accepts the vote of 59-40 in favour of a boycott, she says she is "extremely disillusioned that almost all of the West Europeans are going to the Olympics."

She accepts the argument that duties as a citizen should take precedence over individual interests of sportsmen. "But why," she asks, "are the businesses involved in East-West trad not taking action against Russia."

Bill Rodgers, the U.S. marathon runner, is quite simply the best of his event in the world. His goal is to win a gold medal at the Olympics, and his resentment at being barred from Moscow is acute and bluntly expressed.

He has frequently said that President Carter had no business making America's athletes suffer for his own foreign policy shortcomings. He detests what he sees as the "empty symbolism" of an Olympic boycott, and, more philosophically, worries about the possible end of the Olympic ideal — and the chances for the games in Los Angeles in 1984.

Lucinda Prior-Palmer, four times winner of the Badminton Horse Trials, has consistently refused to go to the Moscow Games since the Soviet invasion of Afghanistan. It is a judgment supported by the British Equestrian Federation, and its main counterparts in western Europe.

Her chances of a gold at Montreal collapsed when her horse Be Fair suffered a tendon injury, but she was again widely tipped for a gold in Moscow. Her initial determination to go was shown when she won the financial backing of the company Overseas Containers to help her prepare for the games. But she ruled herself out.

HOW THEY LINE UP

National Olympic Committees of significant sporting nations outside Eastern bloc

For going to Moscow	Against going to Moscow
Australia*	Canada
Britain*	Israel
Cuba	Kenya
Finland	Norway
France	Pakistan
Italy*	United States
New Zealand	West Germany
Spain	
Sweden	
Tanzania	

* Against government wishes

$500m in the pot

By DAVID SATTER in Moscow

THE U.S.-LED boycott of the Moscow Olympics will be effective enough to deprive the Soviet Union of a propaganda triumph, but is unlikely to have much effect on the ordinary citizen's view of the war in Afghanistan. The Soviet Press has blamed the boycott movement on militarists in the West seeking to heighten tension and "whip up the arms race."

The fact that teams from countries such as Britain, France and Italy will be attending the games, some of them defying their own governments, will make this explanation plausible to most Soviet citizens who must rely for information solely on the controlled Soviet Press.

Since the boycott movement began, the Soviet authorities have insisted on the independence of sports from politics, but there was never any doubt that they had intended to use the games to enhance their domestic and international prestige. The extent to which they are successful in this must, given the boycott, now be open to doubt.

No definite figure is available for Soviet expenditure on its Olympics preparations, but the hard currency cost alone has been estimated at about $500m. The Soviet Union contracted with the West Germans to build the new Sheremetevo Airport, which will handle most Olympic traffic, and with the French to build the new first-class Kosmos Hotel.

The centre of Moscow has been extensively repainted and beautified and Soviet alcoholics, hooligans and potential troublemakers have been sent out of town. A last wave of arrests and the exile of Dr. Andrei Sakharov, the Nobel peace prize winner, has cleared the city of most of the active dissidents.

For the Soviet Union the games represent a chance for the country to emerge finally from international isolation. Although the detente era greatly increased contacts between the Soviet Union and the West, the country is still isolated in many respects and the Soviet authorities have been willing to countenance a certain level of ideological "contamination" in order to bring this to an end.

The 1980 Olympics, despite the boycott, will attract 300,000 foreigners to Moscow and Soviet officials maintain that tickets to all major events are sold out.

Thus the Russians have made extensive efforts to persuade other countries to participate in the games as the boycott movement has spread. When the West German vote appeared likely to be crucial the East Germans issued a warning that relations between the two German states would suffer if West Germany boycotted the games.

Beyond this, the partial boycott has forced the Soviet authorities to pay the admittedly relatively modest price of forgoing a propaganda triumph. This year's Soviet Party instruction booklets have dropped references that the decision to hold the 1980 Olympics in Moscow reflected "universal recognition" of the Soviet Union's ... "peaceful foreign policy."

Letters to the Editor

Nanook

From Mrs. C. Paget-Brown.

Sir, — As a housewife, the mere thought of next winter chills me, because the only people unable to pass on the increase in fuel prices will be those of us who have to stay at home. Shops, offices, banks, central and local government undertakings of all kinds, will simply increase their respective prices, charges, taxes, rates, and there will be no incentive or necessity for them to reduce their heating.

For a long time now, come winter, after the family has left for school or work, I have kept heating to the barest minimum and wrapped myself in several layers of "woollies" to keep warm while doing the housework. When, however, I set off to do the shopping and various other errands, I find that everywhere I go, from shop to bank, post office to public library, council offices (to pay the rates) to the gas and electricity showrooms themselves, it is so warm that some of the staff are even in shirtsleeves, while I stand there looking like Nanook of the North with a tear-drop on the end of my nose! Even if we have a mild autumn or early spring, it never feels to me that any of these concerns take advantages of this by turning their heat down or off.

I am tired of going into big shopping stores and being nearly blown down at their doors by hot air gushing down at me, also by the fact that these places never seem to allow for the natural body warmth generated by crowds of shoppers.

It does seem to me very unfair that the question of differing price bands seems to have been dismissed with very little thought or discussion by the Government and the Gas and Electricity Boards. Whatever happened to the old domestic tariff? If they cannot stop extravagence, they could reward frugality.

(Mrs.) Christine Paget-Brown.
Indaba, Pelhams Walk,
Esher, Surrey.

Education

From Mr. R. Tracey,

Sir,—What monstrosity is your Education Correspondent, Michael Dixon, proposing when he discussed (May 17) the possible benefits of bigger inner London boroughs? His article rightly describes the Inner London Education Authority as a mixture of white elephant and dinosaur and that is precisely the objection of many parents, councillors and ratepayers in inner London.

I am both a parent and a school governor and with the evidence of William Tyndale School and the chaos of Highbury Grove to observe, I am convinced that big is certainly not better in general local government or education, promoting only remoteness and insensibility.

Can I quote to Michael Dixon—and he might like to think again before he passes on advice to Baroness Young's committee—the original view of the 1960 Herbert Royal Commission into London's Government which has not been bettered—"It seems to be that in the daily account of the schools, parents and other people would be able to go to the Town Hall, or to approach their local councillors; and we think that it is right that in a matter which so intimately concerns the life of the individual and of the family they should be able to do so." (page 139, para 15).

It is a pity that more regard was not paid to those words when the London Government Act was debated.

Richard Tracey,
49, Earlsfield Road, S.W.18.

Pay

From the Vice-Chairman Shaw Carpets

Sir,—The news that the Cabinet is deliberating on the question of public-sector pay is a timely reminder that Governments must first deal with the biggest factor encouraging inflationary pay settlements, namely "leapfrogging." This is the process whereby trade union leaders compete in a pay race in order to prove to their members that they are not being left behind.

It is therefore essential to relate public-sector employment to occupations in other sectors and it would seem appropriate to follow the example followed in industry of job evaluation. If relative wage bands for different occupations can be established it would help to introduce a concept of fairness and would make any attempt to break the bands, by relying on union muscle or monopoly pricing situations, inexcusable. It would also relieve private industry of the need to catch up with public-sector rates.

Thereafter, the concept of an annual national wage increase could be applied, taking into account such matters as productivity and the rate of inflation. Cash limits in themselves have proved too arbitrary.

M. S. H. Hartley.
Shaw Carpets,
Darton,
Nr. Barnsley, Yorks.

Auditors

From Mr. A. Richardson

Sir,—It is unfortunate that your survey on accountancy (May 13) perpetuated some myths which the profession concerned has been successfully fostering for a long time. In particular, while there is no doubt that chartered accountants are probably the best in the world in the accounting field, they regrettably also promote themselves as, in the words of your survey, "experts in the legal . . . framework" of business.

Because of their statutory sinecure as auditors, they have been able to dabble in areas outside their actual responsibilities and have used this as a springboard not only for increasing the staffs (and consequently the fees) of firms in practice, but also as a subtle way of improving the individual prospects of the Institute's members.

Thus it is nowadays not unusual to find a chartered accountant in the position of company secretary, one for which he or she is by nature unlikely to be suitable. Someone inclined towards a career in accountancy will normally have qualities quite different from those needed in such a vital administrative position. Not only that, but a company secretary requires far wider interests and training than would usually be expected from a chartered accountant.

The Institute of Chartered Accountants in England and Wales would doubtless contend that its curriculum fits its members for these wider responsibilities and this is only natural with its vested interest in maintaining the prestige of its members. It is, however, high time accountants got back to their ledgers and left other professionals to get on with the jobs suited to their own aptitudes.

A. J. Richardson.
118, Parford Road,
Sudbury Court,
North Wembley,
Middlesex.

Headhunters

From Mr. R. Addis

Sir.—The need for high standards of probity and professionalism in executive search is properly expressed in Michael Dixon's article of May 13. "The unacceptable mask" is, however, a little unkind and, for our part, no call to wear a mask of any description is felt. Clearly confidentiality so far as individual candidates and clients are concerned must remain absolute but there is no secret about the principals, methods and practices employed. I am in little doubt that the leaders in the business and those long established in the resourcing of senior appointments would, like ourselves, be pleased to be entirely open about the way in which they operate.

Mr. Bryan Cassidy (May 16) also makes a good point where he suggests the Government should set a good example by "buying British" when seeking the aid of "headhunters." Of course it does. Rightly, I believe however, the Government will on each occasion consider the claims to retention of several competing companies and will appoint the one it judges most competent to handle the particular assignment under consideration.

In these circumstances, the cry should surely be "let the best man win." Those British companies who find themselves unsuccessful in the contest should look to their laurels and ensure they can provide a better service than their foreign based counterparts.

R. T. Addis
Tyzack and Partners,
10 Hallam Street, W1

Quality

From Miss K. Campbell

Sir,—I was intrigued by James Rothman's reference ("Cuts," May 17) to the effect of cuts in capital expenditure on the "quality of life."

But what is meant by "quality of life": or what definition of it is there that is affected by cuts in capital expenditure? There are so many aspects of "quality" that can be affected by attitudes and actions, with no capital or cash expenditure.

In the realm of noise alone, for example, the quality of life can be delightfully enhanced by adopting a quiet tone of voice, by not speaking for the sake of speaking, by choosing a quietly efficient motor bike instead of an explosively noisy one, by closing doors instead of banging them, by walking without pounding the pavement, by modulation of radio and similar noise instead of its overamplification . . . Quality with cuts—or without them.

(Miss) K. E. Campbell
46 Huron Road, SW17

Clip-ons

From Dr. R. Cutler

Sir,—Mr. Sandles's article (May 17) being fashion orientated made no mention of "clip ons," polarised or otherwise, suitable for those already wearing spectacles, and indeed essential for those who cannot afford the cost of photochromatic prescription lenses. The average run of the cheaper but efficient clip ons seem to be best suited to standard NAS frames, which is perhaps as it should be, and those with more exotically designed frames should take care in their selection of clip ons, as the hardened springy brass clips are easily broken if bent to fit. Mr. Sandles refers to polarised varieties, so very efficient in cutting down glare, but for driving if one has a toughened glass windscreen as distinct from a laminated one, the deliberately built in stresses in the glass can show up as disturbing vertical streaks if polarised glasses are worn.

Robert Cutler (Dr.),
19, Woodlands Road,
Surbiton, Surrey.

Stockpiling

From the Director, Aims.

Sir,—It is true, as you report (May 21) that there are encouraging indications that the Government is taking an interest in the very important matter of stockpiling essential minerals for armaments' purposes. You mention progress in this by the French and West German Governments; my impression is that the U.S. has also made some progress in this.

It is correct, as you say, that a stockpile could be expensive. A very rough guess would be something like £1bn for a year's stockpiling of these essential minerals. In the event of war, however, this would be an absolute essential and not a luxury.

In the search for a formula whereby the EEC returns some of Britain's money, a rebate for mineral stockpiling would be very much more useful than money for state investment in industry. At the very least, this should be on the agenda for discussion at the EEC.

Micael Ivens.
40, Doughty Street, WC1.

NEB PREPARES TO SELL ITS 50 PER CENT STAKE • BY GUY DE JONQUIERES AND RICHARD LAMBERT

Ferranti fears for its independence

ARRANGEMENTS for impending separation threaten to create more anguish and friction than has existed between Ferranti and tbe National Enterprise Board since the company was rescued from the brink of collapse six years ago. Their relationship until now haa been o remarkably calm one, with the NEB adopting a hands-off role and allowing Ferranti to cbart its own return to profitability.

The atmosphere has been clouded hy Ferranti'a evident concern that the NEB's disposal of its 50 per cent equity stake will undermine Its future independence. (The NEB bas said it expects to complete preparations for the sale hy the end of next month.) Ferranti fears that instead of placing its shares widely around the stock market, the NEB will hawk them round in a block to be sold to the highest hidder wbich would use them as a platform for a total takeover.

Ideally, Ferranti would like the NEB to agree to a two-stage withdrawal, selling off half its boldings now and the rest in perhaps a year to 18 months' time. That way, it feels, the market would he able to ahsorh more smoothly sbares which are currently valued at just over £50m. It would also he harder for a predator to snap up a significant interest.

The NEB appeals cool to this idea, however. It fears that if Its interest were redneed to only 25 per cent, it would lose control and its strategy for disposing of its remaining equity could be successfully challenged by other shareholders. The most significant of these at present are the Ferranti family interests which, thanks to the remarkably generous terms of the original rescue operation, still control a fifth of the total equity.

The NEB is also keen to demonstrate to the Government that it is a shrewd investor. Whatever bappens, it is going to reap a fat profit on its original investment, now carried on the books at less than £7m. But it must be aware that selling such a big hlock of shares on the open market could depress the Ferranti price, which has recently been buoyed up by speculation about a possible takeover bid.

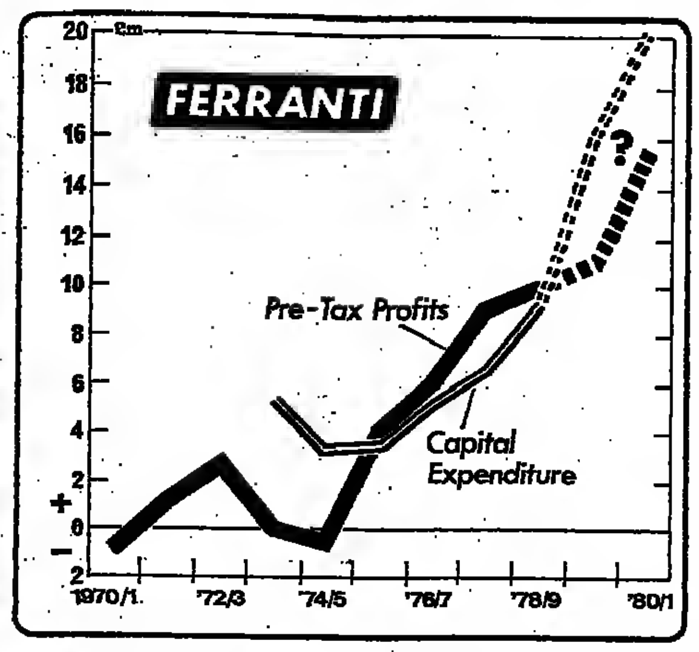
By arranging to sell the whole block of shares to a single investor, it could hope to ohtain a preminm on the current market price. It would also avoid the humiliation that might follow if a sale of the shares on the stock market led to a takeover bid at a much higber price.

It has been argued, even after the recent wave of mergers, that the Britisb electronics industry remains too fragmented and that forther consolidation must take place if it is to compete effectively nn international markets. Even General Electric (GEC), the giant of the UK industry, is nnly about one third the size nf Slemens of West Germany.

Ferranti strongly disputes this view. It argues that its survival as an independent entity is essential to its ability to maintain high standards of innovation and tecbnological excellence. It points to the commercial success of many smaller U.S. electronics companies like Intel and Hewlett Packard.

Almost two thirda of Ferranti's business is defence work, the bulk of It for the British Government. It claims that its disappearance as an independent company could significantly reduce competition. This would be especially true if it were to be merged with GEC's Marconi division, a major competitor in several key areas, notahly airborne radar, inertial navigation systems and minicomputers for military purposes.

Mr. Derek Alun-Jones: painless medicine



The third main plank of Ferranti's case against being auctioned off to a aingle buyer is more overtly emotional. It says that apart from the initial Injection of funds hy the NEB, its recovery has heen largely due to its own efforts. Moreover, Mr. Derek Alun-Jones, managing director, claims that from senior management down, the company's 16,000 employees are dead set against an unfriendly takeover.

The company also claims, with some justification, that the primary motive for the NEB disposal la political, not commercial. The NEB is under strong pressure from the Government to sell off as many of its holdings as possihle, and Ferranti is one of its plums. Only three weeks ago it agreed to sell Fairey, the engineering group, to S. Pearson despite Falrey's apparent preference to be floated off as an independent company.

If the NEB did decide to sell off all its shares to one huyer, there could he a variety of cendidates interested in taking over Ferranti. Leaving aside a foreign purchase, which would almost certainly be blocked for strategic reasons by the Ministry of Defence, speculation in the City focuses on three broad categories of possihle hidder.

First, big companies already Involved in electronic and defence work. Of these, GEC has the cash hut would risk facing yet another challenge from the Monopolies Commission. Racal and Thorn already have their hands full, having recently purchased Decca and EMI respectively, while Plessey, for a variety of reasons, including size, is not considered a creditahle hidder.

The second group inclodes companies more on the fringe of the defence or electronics businesses which might be keen to diversify further into these areas. Hawker Siddeley and Lucas Industries have been mentioned in this context.

Finally, and most unpredictahly, it is always possible that Ferranti could be attractive to a big conglomerate with money to spend.

If, on the other hand, the NEB fell in with Ferranti's wishes, the company would have to show that it could prosper as an independent entity.

Ferranti was driven into the arms of tbe Government in 1974 by poor financial management. For many years it had enjoyed a reputation for technological excellence, hut in the end its obsession with research and development with scant regard for profitability almost drove it into the ground. The crisis hroke when the National Westminster Bank refused to extend Its overdraft fscility, and no other private sector rescuer came to its aid.

In the circumstances, the Ferranti hrothers who had been running the busioess, managed to extract very attractive terms for the rescue. The deal left the two hrothers and tbeir family with a substantial equity interest, wbicb haa also appreclated greatly in value, and allowed them to remain on the Board as non-executive chairman and deputy chairman.

The Government injected £15m into Ferranti, of wbich £6.3m was in loans and the rest in equity, amountiog to 62.5 per cent of the total. It undertook then to rednce its shareholding to 50 per cent, whicb it did in September, 1978, by selling part of its Interest to existing sbareholders.

A good deal of the credit for turning Ferranti around must go to Mr. Alun-Jones, who was drafted in from Burmah Oil in 1975. The medicine be applied seems to have been relatively painless. While leaving most of the existing management intact, be moved swiftly to instal a system of strict financial reporting and cootrol.

When Mr. Alun-Jones took over, Ferranti's operations were fragmented into 15 different businesses, all of them reporting separately to the chairman. These have now been consolidated into five groups: computer systems, instrumentation, electronics, engineering and the Scottish group, whicb produces a wide range of electronic and electro-mecbanical systems with a strong military flavouring.

In the process, a number of peripheral activities have heen sold, including Ferranti's Canadian subsidiary, its cathode ray tube business and a helicopter operating company. It has also joined forces with Siemens, in an attempt to strengthen its long-estahlished hut faltering position in electricity meters.

The group has substantially increased its capital spending after a period of cash starvation during the crisis years. Despite improved earnings, Ferranti is still not profitable enough for it to be able comfortably to finance its future capital needs, which are heavy. A year ago its return on capital was under 17 per cent and its profits in 1979-1980 are unlikely to hare heen very much higher than the previous year's £9.9m, reflecting the effects of strikes, high interest rates and adverse currency movements.

Its financial coostraints have encouraged Ferraoti to concentrate beavily on the military

The company needs to develop more aggressive marketing

market, wbich in any case has been huoyed up by sharply rising defeoce spending. Though the company complains that inflation has eroded tbe return on capital permitted by the UK Defence Ministry, its prime customer, this business provides a regular and assured cash flow.

The hoom in defence spending has helped lift Ferranti's order Intake in some areas by 40 per ceot and more in the past year. City analysts predict that profits could rise substantially in 1980-81, and Ferranti itself says that a 30 per cent return on capital is achievable over the longer-term.

The exacting technical standards set hy military procurement have led Ferranti to produce some outstanding new products. It is a world leader in gyro technology, as well as the developer of Europe's first microprocessor and of an uncommitted logic array (ULA) chip which can be adapted to custom applications. The last of these recently won the Queen's Award for Industry and could have a bright future on the civilian market.

A number of City analysts believe tbat Ferranti will have to learn to compete more energetically outside the military field if its future is to he assured over the longer-term. To do so, it will have to ensure that its research and development effort is directed more towards commercial applications than in the past. According to Mr Ian Cole, of stockhrokers James Capel, "Ferranti must find a hetter halance hetween the optimum technical solution and the economically most effective one."

Mr. Cole agrees with Mr Peter Minton of Buckmaster and Moore that the company needs also to develop a more aggressive marketing strategy if it is to capitalise on the commercial potential of products like the ULA chip.

Ferranti itself points out that it has had some successea in commercial markets, such as petrol station metering and computer typesetting equipment. It is also enthusiastic about prospects for selling its electronic technology in West Germany, notably to the Federal Post Office. But it complains that many industrial customers in the UK remain largely indifferent towards high technology products and that public bodies like the Post Office do not provide enough stimulus for innovation among their suppliers.

For the moment, Ferranti appears well placed to continue the recovery which it has made since the mid-1970s, underpinned by strong demand from the defence sector. The next few weeks will see whether it will he left to pursue this path independently or whether it will he forced, against it wishes, into an arranged marriage.

Weekend Brief

Definitely made in Britain

"Made in Britain" will soon take on an extra significance when the Government hrings in new regulations to force importers of a wide range of consumer goods — covering clothes, textiles, footwear, electrical appliances, and cutlery—to label clearly the country of origin.

The move is aimed at giving substantial backing to the "Buy British" campaigns which are traditionally launched during times of economic crisis. (The latest was launched earlier this year—admittedly with some initial success—by Sir Michael Edwardes for BL cars).

Once the regulations are hrought in, probably in the Autumn, Government officials will sort out with the various trade bodies just which goods can qualify for the "Made in Britain" tag and which have to reveal their true country of origin. At present the Trade Description laws give considerable latitude to importers to disquise the country of origin.

The decision to bring in the new regulations was announced by Mrs. Sally Oppenheim, Minister for Consumer Affairs, at the annual jamburee of the National Union of Townswomen's Guilds in London's Royal Albert Hall earlier this week.

Mrs. Oppenheim, a past vice-president of the Townswomen, did not chose the occasion hy chance. Instead, it repaid the efforts of the Guilds last Autumn when, at the Minister's request, they surveyed their members to find their views on goods being origin marked.

At that time Mrs. Oppenheim pointedly made clear that she wanted to receive the views of the "grass-roots" consumer as well as the professional consumer bodies. In the end, however, Mrs. Oppenheim also enlisted the aid of the state-financed National Consumer Council to carry out a study of consumers' views on origin marking. Both surveys came to the same conclusion: that to help consumers make "value for money" decisions before buying it was helpful to know the country of origin. Cheap suits, for example, might not be considered such good value if consumers were aware that they came from Eastern Europe.

But Mrs. Oppenheim's decision to press ahead with new regulations to enforce country of origin marking bave wider repercussions, both for personally and for one British industry in particular.

Over the past few years a major controversy has been raging within the Sheffield-based cutlery industry over the practice of some companies of importing cutlery "hlanks" from the Far East, silver-plating them in Sheffield, and then stamping "Made in Sheffield" on them. Cutlery imports now account for some 70 per cent of the market according to trade estimates.

The row has developed because some traditional Sheffield cotlery manufacturers who produce and plate their cutlery

Sally Oppenheim—double dilemma

entirely in Sbeffield—and legitimately describe their products as "Made in Sheffield"—object to foreign imports being given this still-valuable attribution.

Mrs. Oppenheim bas heen drawn into the controversy mainly because she is Consumer Affairs Minister. But, ironically, she is also a native of Sheffield and a member of the Viner family, one of the major cutlery manufacturers.

Whatever she does in this area, therefore, will almost certainly be criticised hy some sections of the Sheffield cutlery community. But Mrs. Oppenheim's officials in the Department of Trade have come up with the solution which they hope will solve her dilemma.

Under the new rules, the country of origin for labelling purposes will he the country where the "last treatment or process resulting in a aubstantial change took place." In the case of imported cutlery, however, this will almost certainly mean that "Made in Korea" will have to be stamped on the knives and forks since silver-plating is not considered a suhstantial change. But the cutlery companies thus affected will be able, Mrs. Oppenheim shrewdly points out, to add "and silver-plated in Sheffield" if they so wish.

Weather to hang about in

Weather men and bang-gliding pilots share an intense interest in a thin skin of the atmosphere called the "friction layer," extending upwards for about a mile from the earth's surface. It can be likened to a lubricating film between the apinning orb and the upper atmosphere.

The solo flyers exploit the idiosyncrasies of airflow in this friction layer to enjoy their sport. The weather men want to explore in much greater detail just how this very turbulent layer of air is behaving. The solution may be for more of the weather men to learn hang-gliding and go and see for themselves.

Fitting scientific instruments to bang-gliders has tremendous potential for weather forecasting, suggests a meteorologist writing in *Weather*, the journal of the Royal Meteorological Society. Hang-gliding has already developed into a very sophisticated pastime, with altimeters, compasses and variometers (for vertical motion) commonly worn by the pilots today.

Hang-gliding took off as a sport with the introduction of Francis Rogallo's design of glider, once studied by NASA scientists as a way of steering their returning spacecraft after re-entry into the atmosphere. Skilled pilots can exploit the micro-climate of the first mile of atmosphere to fly safely at speeds up to 35 knots, cover distances as great as 50 miles, and remain airborne for hours —8 bours, 26 minutes in one case.

Pilots try to keep well clear of cloud, where the heat released from the air as water droplets are forming can produce very turbulent conditions. But they are still discovering new sources of lift, especially in mountainous regions, from local aberrations in the wind.

At the moment the weatber men can provide only general indications of whether the weather will be suitable for hang-gliding. But local forecasting offices are receiving a growing number of calls from clubs. They can advise on sucb crucial qoestions as which way the wind will he blowing at a particular time and place, and — less critically important — what the wind speed will be. Tbe forecaster may be ahle to advise grounded pilots of a "weather window" between a succession of depressions wben they might get in a good flight.

But what the weather man needs for a more precise forecast when flying conditions are doubtful at a favourite bang-gliding site is a detailed picture of how the locality itself will respond to the arrival of the next piece of weather. He can build this up only by having a lot more feedback from experienced pilots studying the area and reporting their experiences to the local met office.

The man who really knows what to look for, of course, is the meteorologist himself. Perbaps the first Bank Holiday TV report of the weather for Brighton from a heavily instrumented weather man hang-gliding off the South Downs is not far away.

Spring in the Appalachians

Every year at abont this time, strapping individuals with sturdy boots and hulging rucksacks head for the hills of Georgia. Their goal—the start of the Appalachian Trail, the loogest continuous hiking trail in the world. Their plan—to walk its entire 2,050-mile length, a journey that will take them about five mooths and end np In Maine, close to the Canadian horder.

May is a good time to start this Herculean trip hecause yoo follow the unfolding North Americna season as it moves up the East Coast, and you arrive in Maine in September, just after that state's awful "black-fly" season.

You catch the blossoming godwood in Georgia aod Virginia, the budding maple in New York, the belgbt of summer in New England, and the first fluish of fall in Maine.

This may not fit your idea of a summer boliday—and who bas five months to spare anyway? But the trail holds a fascination for hikers from the world over, and thousands tramp along at least part of it every year. Having just completed seven nights and 90 miles on the trail myself, I can testify that the trail offers rich bot hard-earned rewards.

Opened up more than 50 years ago by a gronp of inspired nature-lovers, the trail is a miracle of 20th-century conservation. Indeed, the 1920s probably marked the last chance they had to create something like this because much of the land would have heen swallowed up by development in the decades to come.

The trail is administered hy a non-profit-making conference based in West Virginia, and maintained by thousands of volunteers along its entire length. They fight for its rigbts against an encroaching world. Like British footpath protectors, trail-lovers organised a two-day "walk-in" last weekend during which every inch of the trail was covered.

But this is *not* to say that the trail is an easy walk. Rather the opposite. It is not an engineered path, or even a cart track. Most of the way it is a thin trail which winds its way along the ridge of the Appalachian Mountains, the oldest rock formations in the U.S. Fallen trees and boulders litter the way. The trail passes through swamps, across rivers, np rock faces and down gorges. Even hardened hikers have trouble doing more than two miles an bour, or 15 miles a day.

The trail takes the scenic route wbere possible. So if there'a a mountain to be climbed, a view to be seen or a vale to be enjoyed, the trail will meander off towards It, and there are no short cuts.

Most of the time, the trail is several miles from civilisation, deep in the forests or far up the hills. Every 15 miles or so it crosses a road or passes a village. But the hiker must carry at least two days' food with him all the time, plus his tent an dother needs, making a pack weighing 30 pounds or more.

But it can't be that bad. Seventy-year-olds have been known to complete it, getting through several pairs of boots in the proces. And even if you only go for the view, there are few sights to beat the Appalachians on a sunny spring morning, with the mists rising off the wooded slopes.

Contributors:
David Churchill
David Fishlock
David Lascelles

Economic Diary

MONDAY—Amalgamated Society of Boilermakers, Shipwrights, Blacksmiths aod Structural Workers hieonial conference, Scarborough. National Union of Public Employees conference continues, Eastbourne (ends May 27). National Associatioo of Head Teachers conference continues, Cheltenham (ends May 27).

TUESDAY—EEC Finance Ministers meet, Brussels. Confederation of British Industry monthly trends (May). Retail sales (April provisional). Preliminary estimate of gross domestic product based on output data (first quarter). Isle of Grain mass picket planoed over striking laggers at power station. Three-day international conference on textiles opens in Brussels. Barclays launch oew petrol purchase credit scheme. Advisory, Concillation and Arbitratioo Service annual report. Mr. Peter Rees, Minister of State, Treasury, is principal speaker at Institute of Directors—Oyez conference on "The Budget," 116, Pall Mall, London. Isle of Man Tynwald meets to consider first Budget.

WEDNESDAY—Mr. Len Murray, general secretary, Trades Union Coogress, gives Granada Television lecture on "The Democratic Bargain." City of Londoo Guildhall. Sir John Greenborough, deputy president CBI, speaks at Britisb Export Houses Associatioo luncheon, Cafe Royal, Loodoo. Two-day meeting of EEC Agriculture Ministers opens, Brussels. Commonwealth Development Corporation annual report. Bricks and cement production (April). EEC Ecooomic and Social Committee two-day plenary session opeos, Brussels. Iran's oew Parliament meets for first time.

THURSDAY — Inquiry into Bushey train crash hegins, 65, Clarendon Road, Watford. Eoergy Trends publication. Investment intentions of tbe manufacturing, distributive and service industries (1980-81). Department of Employment Gazette will include stoppages of work due to iodustrial disputes (April); overtime and short-time working in the manufacturing industries (March); employment in the production Industries (March); and quarterly estimates of employees in employment (December). Meeting of EEC Standing Committee on Employment, Luxembourg.

FRIDAY — Sales and orders in the engineering industry (February). Car and Commercial vehicle production (April final).

SATURDAY — One-day Lahour Party conference against Government policy, Wembley.

Homfray losses exceed forecast at six months

ANTICIPATED midway trading losses at Homfray and Co. turned out to be considerably greater than expected, due largely to stock write-offs, and the carpet manufacturer finished the six months to March 29, 1980 with a deficit of £2.48m, compared with profits of £290,000.

But products from the group's new rotary printing machine are receiving a good response, say the directors, and as volume increases they expect the current rate of loss to be progressively reduced.

The commissioning of the new plant was delayed and it is only now that satisfactory levels of output are being achieved. During the transition period the group endeavoured to maintain sales by the introduction of seven-day working on existing plant, supplemented by commission dyeing and printing. This proved expensive and, in some cases, unsatisfactory.

First half turnover fell from £20.29m to £14.78m, and the directors point out that they are continuing to sell in a very difficult and oversupplied market.

The interim dividend is again omitted—a final of 1p net was paid last year, when the 12 months' loss amounted to £1.08m.

The deficit now reported includes depreciation of £564,000 (£582,000) and a sharp increase in interest charges from £289,000 to £627,000. There is no tax charge (£126,000).

After extraordinary debits of £429,000 (£734,000) the attributable loss emerges at £2.91m (£571,000 loss) and the loss per 25p share is shown as 16.1p (1.1p earnings).

● comment

Homfray gave fair warning in February of stormy weather ahead, and the forecast has been amply borne out at the half-way stage. The stock write-down snapped up around £1m, while over-optimism about installation schedules for the Mitter Rotary machine left an awkward springtime production gap. Australia, which chipped in a full-year £218,000 profit in 1979, is running at break-even while new equipment is installed there. The group feels that it plumbed the depths in November/December, and that there should be a gradual uphill move towards the black around autumn. The labour force has been trimmed from 1,700 to 800 over the half, saving £4m on wages and overheads while the new machinery is expected to maintain output levels when working efficiently. The shakedown in the UK carpet industry should leave the survivors well-placed if the receding dream of softer sterling materialises. In the meantime, it is not a good sector for widows and orphans.

Poseidon's maiden dividend

By George Milling-Stanley

SHAREHOLDERS IN Poseidon, the company which highlighted the boom in Australian nickel exploration shares in the late 1960s, are to receive their first-ever dividend. An interim payment of 5 cents (2.45p) a share is to be made from half-year profits of A$3.18m (£1.6m), up from A$1.16m.

The profit came from dividends paid to Poseidon by Kalgoorlie Lake View, the gold mining concern in which it has a 47 per cent stake. Ironically, that stake arose from Poseidon's purchase of Lake View and Star, with the intention of converting the gold mine's processing plant to the milling of nickel sulphide from Poseidon's Windarra mine in Western Australia.

Poseidon, which spent 27 months in receivership after the failure of its nickel venture, said that the decision to pay a dividend followed the receipt of independent advice that the reconstruction of its capital legally entitled it to do so.

Poseidon had previously understood that it could not pay a dividend while its accumulated losses exceeded paid-up capital. The company's losses at the end of its last financial year (June 30, 1979) totalled A$11.35m, against issued capital of A$3.39m, in the form of 16.97m 20 cent shares.

However, the company's share premium account stands at some A$14.5m, and Poseidon has called an EGM to consider writing off the losses against this. The move is subject to confirmation by the Supreme Court of South Australia.

Poseidon shares closed up 3 at 130p yesterday, a far cry from the £124 they reached in February 1970 at the height of the boom.

First half setback at Babcock

FIRST HALF profits at Babcock International were expected to be substantially lower, Sir John King, the chairman told the annual meeting.

His warning came after a week in which several other engineering groups had lowered their expectations for the year.

Sir John said that current profits were being affected by high interest rates and recent exchange movements, while a recent marked change in ordering patterns in both the U.S. and UK had indicated that trading conditions would be more severe than previously thought for at least the next few months.

The chairman reiterated, however, that the steel strike earlier this year had a serious effect on only two of Babcock's operations.

Engineers' strike hits Castings

A FALL in pre-tax profits from £1.07m to £0.98m is reported by Castings, the West Midlands malleable ironfounders, for the year to March 31. Turnover increased from £5.83m to £6.66m.

There was a tax charge of £488,105 (£555,794) leaving net profits of £488,332 (£513,008). The final dividend is increased to 2p making an overall 2.6p (2.25p). Stated earnings per 10p share are 7.2p (7.6p).

The board says results were affected by the engineering strike and disputes at some customers' plants. Demand is currently low in engineering, automobile and building industries, but the company is in a strong position to survive temporary fall-off, having received many orders for new lines in the motor industry.

Gieves turns in £0.45m: warns of poor first half

Gieves Group, now in voluntary liquidation, reports a pre-tax profit of £1.01m against £1.59m for the year to January 31, 1980, while the group's quoted rump, Gieves Group (1980) turned in a figure of £451,000. The old GGL went into liquidation in order that holders could gain tax benefits from the distribution of proceeds on the £3.66m sale of the company's mechanical binding systems business.

For the year, this division—results of which are not included in the new GGL—returned trading profits of £622,000 (£712,000) on turnover of £5.44m (£4.61m). Turnover and profit figures of the other divisions are as follows: tailoring and outfitters £6.3m (£5.48m) and £444,000 (£347,000); book and magazine manufacture £7.25m (£6.53m) and £244,000 (£600,000); publishers and booksellers £1.55m (£0.87m) and £136,000 (£46,000) loss; motor dealers and car park operators £19.16m (£18.2m) and £131,000 (£211,000). The parent company had rents receivable less central expenses of £25,000 (£82,000) and while the old GGL paid interest of £322,000 (£314,000) that of the new GGL absorbed £257,000.

The directors point out that profits of the tailoring and outfitting division are a record and half the fall in trading profits from book and magazine manufacture is due merely to a change of policy in that division, which is now factoring its debts. This resulted in a corresponding reduction in interest payable.

They report that the other half of the fall came from more difficult trading conditions and the re-siting of the division's manufacturing operations in new factories.

Publishing and bookselling is substantially a new venture and the motor dealing division continues to operate under difficult trading conditions, they add.

Because of this difficult trading and the factory re-sitings, holders are warned that results for the six months to July 31, 1980 will be appreciably worse than those for the corresponding period. However, the directors of the new GGL reaffirm their expectation that dividends totalling not less than 2p net will be recommended for the current year. For the year to January 31 last the old GGL paid an interim of 1.5p net and a distribution of 2.5p will be made on May 30, as the proceeds of the realisation of ordinary shares.

Tax of the old GGL for 1979/1980 totalled £79,000 (£821,000), whereas the new GGL had a tax credit of £85,000. These figures included special tax credits of £415,000 and £291,000 respectively.

The profits after tax of £536,000 for the new GGL represent earnings of 9.1p per share. If there had been no special tax credit, net profits would have been £245,000 and earnings 4.2p.

For the old GGL there were extraordinary debits of £165,000 (£243,000 credits) during the 12 months, dividends absorbed £88,000 (£195,000) and £652,000 (£315,000) was retained.

The report and accounts for the year will contain a pro-forma consolidated balance sheet of the new GGL. This will show share capital and reserves of £4.33m which is equivalent to net assets of 73.8p per share.

● comment

While Gieves' move to sell off James Burn and give shareholders the cash was to be applauded, it did mean the loss of its major profit earner and by far the most impressive if measured by the return on assets of just £1½m. What is left is hardly exciting. Cornerstone of the group, Gieves and Hawkes, shows some impressive figures but longer term the performance is likely to be steady rather than sparkling. Book manufacturing is distorted by the switch to factoring as it loses at the trading level but saves on interest. The current half will be held back by the site moves though it will achieve more softback capacity where growth prospects are better. Publishing losses are well up reflecting two acquisitions which Gieves has not sorted out yet, but more frustrating is the continued loss at Bookmark (party selling). Finally Mamos, predominantly a BL dealer, was in the red in the second half and trading remains dull. Overall the group makes it very clear that the near term is bleak. Borrowings are uncomfortably high at £3.4m against shareholders' funds of £4.3m, excluding deferred tax of £2.4m. Still the company has industrial property development which is an obvious source to raise cash—perhaps to reinvest in a new "growth" operation. A fully-taxed p/e of 11.7—which looks to be rising prospective—and forecast yield of 5.8 per cent at 49p is hardly a snip.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Cardiff Property ...int.	0.6	July 15	—	—	1.6
Castings	2	—	1.65	2.6	2.25
Dundonian	‡2	—	—	†3	§0.75
Ellenroad Mill	nil	—	1.66	nil	2.16
Fashion and General	4.5	July 16	3.41	6.6	5.51
A. Goldberg	3.96	—	¶3.77	5.25	¶5
Hield Bros.	0.25	July 10	0.75	0.25	0.75
Homfray ...int.	nil	—	nil	—	1
Pentland In. Tst. ...int.	1.5	Aug 1	1.5	—	¶6.28
Viners	nil	—	0.5	nil	1

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ As forecast at time of reorganisation. § Adjusted for comparison. ¶ For 58 weeks. ¦ Including non-recurring dividend of 0.83p.

Talbot UK could break even this year with profits in 1981

LOSSES AT Talbot UK in 1979 more than doubled from the previous £20.2m to £41.14m but Mr. George Turnbull, the chairman, says the company is still on course to break even this year and to make a profit in 1981.

Sales last year fell from £610.18m to £575.21m but the directors say the results are as expected.

They blame the losses almost entirely on the collapse in the first half of the group's £130m car kits business with Iran and the three-month strike in the second half which shut the Stoke and Ryton plants.

The company's loss has been covered by a £5m grant from the Government under the aid package signed with the Labour Government in 1978, from Chrysler Corporation, Talbot's previous owner, and a £30m cash injection from PSA Peugeot-Citroen, Talbot's French parent.

With the restoration of the Iranian contract—Talbot supplies 100,000 car kits a year to the Iran National company—and its exclusion from the upcoming EEC trade embargo on Iran, Talbot is expecting a substantially better year in 1980. It should be further helped by productivity improvements.

The UK factories are now performing better than Talbot's French plants. At the same time, the company is spending nearly £2m on the launch of its new Solara model aimed at the Cortina-dominated fleet market and hopes to see its market share build up this year to 8½-9 per cent from the 7 per cent level of last year.

The directors report that sales in the second six months of the year were affected by increased VAT, unseasonable weather and consumer resistance.

They say that the current year has started with reasonably increased turnover and they remain confident of the company's ability to maintain its pattern of growth in the future.

Goldberg at £2.4m for year

LOWER THAN anticipated sales and resultant price reductions brought pre-tax profits of £2.36m for the year to March 29, 1980, at A. Goldberg and Sons, the departmental store group. This compares with figures of £665,000, against £586,000, for the first half and £2.34m for the previous 58 weeks.

For the 12 months, earnings per 25p share turned in at 11.2p (15.1p) and the dividend total is stepped up from 5.0002p to 5.25p with a final payment of 3.956p net.

Turnover, excluding VAT, amounted to £29.07m (£28.01m for 58 weeks) and profits were arrived at after interest of £566,000 (£422,000) and depreciation of £708,000 (£630,00). Tax for the period took £580,000 (£272,000) and £886,000 (£1,423,000), was retained.

Dundonian emerges with profits past £1m mark

PRE-TAX PROFITS of £1.02m from turnover of £4.67m have been achieved by the recently reorganised Dundonian group in the year ended March 31, 1980. The final dividend is the forecast 2p per share making a total of 3p per 20p share, on increased capital.

The directors say the results are a good indication of development as a strong diversified group with interests which now cover services, property and mining. The current year has started well and the future is viewed with confidence.

Prior to the November reorganisation last year, the group reported pre-tax profits of £316,000 in 1978-79 on turnover of £1.54m.

After tax of £118,000 (£45,000) stated earnings per share for 1979-80 are 11.91p against 3.57p adjusted for comparison. Diluted earnings are 9.9p (3.02p).

The acquisition of Algrey Developments, completed in December, 1979, has provided Dundonian with a significant presence in the commercial and residential property sector. Algrey has made an important first contribution to group results.

House building profits remained buoyant despite the unprecedented high level of interest rates, and rental income from investment properties increased with several new commercial developments in band.

Recent acquisitions have been fully integrated and have considerably broadened the business base, the directors add. The company has developed a strong balance sheet with low gearing and shareholders' funds now in excess of £9m.

The board considers that Dundonian is well placed to achieve further substantial growth, both by internal development and through new acquisitions, should suitable opportunities arise.

KU well ahead at £4.4m

AFTER again crediting £1m provisions no longer required, profits before tax of Keyser Ullmann Holdings rose from £3.1m to £4.35m in the year ended March 31, 1980. Turnover, excluding banking, amounted to £4.8m against £4.25m.

Stated earnings per share before provision releases are up from 3p to 5.7p and from 4.9p to 7.6p after these releases but before extraordinary items.

In connection with the Charterhouse offer, the directors have agreed not to recommend a final dividend, leaving the 1.05p interim already declared. If the offer should lapse, the KU board intends to declare a further interim of 1.05p for 1979-80—the payment last year was a single 1.34p.

Extraordinary credits amount to £86,000 against the previous year's £3.88m comprising a £49,000 surplus on the sale of freehold property, £11,000 against £3.73m surplus on the sale of the investment in Cannon Assurance and £26,000 (same) profit on sale of shares in other subsidiaries. In 1978-79 there was also a £116,000 surplus on redemption of loan and debenture stocks.

Shareholders' funds at the year-end stood at £44.18m (£40.73m) and total assets amounted to £274.5m against £251.7m.

Cash and bank balances at call and at short notice were £39.4m (£28.56m) and short term deposits, £29.76m (£38.4m). Treasury and other bills discounted amounted to £20.64m (£16.82m) and advances, debtors and other accounts less bad and doubtful debts provisions were £138.92m against £134.35m.

Current, deposits and other accounts including tax provision amount to £191.87m (£186.03m) and acceptances for customers are £30.32m (£16m).

Results of the subsidiary, Hocroft Trust for the year to March 31 show a loss on non-banking interests of £103,000 compared with £52,000. Again there is no tax charge.

The share of operating profit of the associated banking company was up from £788,000 to £1.25m and the share of the associate bank's provisions no longer required was again £392,000. There is also an extraordinary credit in the year of £55,000 (£90,000).

Hield Bros. sees little reward from reorganisation this year

LOSSES AT Hield Brothers, worsted cloth making group, continued in the second half of 1979-80 and at the year-end to March 31, a pre-tax deficit of £606,000 was incurred compared with profits of £342,000 previously. The first half saw a turnround from a £298,000 profit to losses of £263,000.

The group's reorganisation is still progressing and current plans may take some six to nine months to complete. The Board warns that this year may offer little reward.

After a tax credit of £798,000 (£186,000 charge) stated earnings per share are 1.178p against 0.941p. The dividend is cut from 0.745p to 0.25p.

Turnover amounted to £8.5m compared with £8.35m. Depreciation charged is £208,000 (£212,000) and interest, £62,000 against £86,000. There is also an extraordinary debit for the year of £122,000 (£5,000), relating to reorganisation expenses.

The directors say the serious shortfall in demand continued, affecting all production sections, and none contributed to profits. Overall stock was reduced, improving the cash position, and advantage has been taken of these liquid resources.

Some progress has been made on reducing unit costs and further steps are planned which should help in this direction, the Board states. Exports to Europe have shown a considerable increase in the current year but the strong pound and low-cost imports have affected home sales.

Mr. A. G. Park, chairman, says the year was more than difficult and the trading results very disappointing but events during the year resulted in a marginal improvement in funds available to shareholders.

Capital expenditure was spread over all sections

Flymo aims to boost exports

An increase of 44 per cent in exports is forecast for the current year by Flymo, manufacturer of air cushion lawnmowers, with production in the UK planned to reach 720,000 units for the first time.

First quarter sales in 1980 were £9.9m, compared with £5.4m for the corresponding period last year.

Marginal fall at Laughton

Following a fall from £475,000 to £407,000 at midway, pre-tax profits of Laughton and Sons finished 1979 marginally lower at £1.12m compared with £1.2m.

Turnover for the 12 months improved from £11.07m to £13.53m. Tax for the period took £370,924 against £570,818 and, after exchange losses, the attributable balance advanced from £462,825 to £473,227. The net final dividend is 5p for an 11p (12p) total.

The interests of this "close" company lie in the manufacture of Stratton compacts, desk aids, men's jewellery, Twinco domestic plastics and Lady Jane hair care products.

Results due next week

One of Britain's largest brewers, Bass, reports its interim results on Wednesday. It is expected to show an advance to some £52m over last year's £45.7m, although predictions range from £49 to £55m. The company has trumpeted higher beer sales, but the share price has slipped of late. Bass is again likely to take into its figures gains from sale of assets which are thought to be similar to last year's £4.2m. The interim net dividend is expected to be about 2.5p, as the company is aiming to increase the proportion paid at the interim stage.

Share prices have also been slipping for Beecham Group, the pharmaceuticals and consumer products company, which is expected to announce depressed earnings when it reports year-end results on Thursday. Analysts have been revising their forecasts downward, to the £133m to £136m range, compared with £144m last year. In addition to exchange rate woes, the company has had heavy start-up costs for its U.S. Aquafresh toothpaste campaign, which apparently has yet to turn profitable. The company has also suffered from high U.S. interest rates, as its $85m acquisition of the U.S. perfume manufacturer, Jovan, was financed by short-term borrowing. Finally, the company has had to cut prices on its pharmaceuticals in the U.S. and Japan where it continues to meet with unlicensed competition.

Courtauld's new chairman, Mr. Christopher Hogg, has been cutting back unprofitable operations in the past few months and the high dividend yield reflects apprehension that he might also reduce the final dividend when pre-tax profits are announced next Thursday. The less traumatic solution of holding it at last year's 3.7p net level rather than following the nominal increase at the interim seems likely. The hoped-for improvement in exchange rates and energy costs have not come to the rescue of UK spinning and weaving in the second half so preliminary pre-tax profits could be down a bit from the £64m last year.

Analysts are expecting pre-tax profits of around £20m from ICL, which reports its interim figures on Thursday. The company made £18.6m in the first half of last year, so progress will have been slower for a group which has recently averaged compound growth of around 20 per cent annually. The recession is forcing ICL customers to extend the life of their hardware so a higher proportion of earnings can be expected from software sales and, in particular, from servicing. The introduction of IBM's 4300 range should not be hurting ICL too badly as its own systems are not compatible and there are long waiting lists for the IBM equipment.

Estimates of first quarter pre-tax profits of Phoenix Assurance, which will be published on Wednesday, range from £5.5m to £8.5m compared to £5.2m in the first quarter of 1979. It all depends on the buoyancy of investment income growth and how much of a recovery from last year's underwriting losses has been achieved. The winter may not have been so severe this year but motor accident claims costs have risen sharply. Moreover, the U.S. business has sunk into loss, so it might be prudent to expect the lower end of the range.

Also due next week are preliminary results from Capital and Counties Property, Alfred Dunhill and Exchange Telegraph, plus interim figures from Scottish National Trust.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Airflow Streamlines	Friday	0.625	2.116	0.8
Barlows	Tuesday	—	7.865	—
Beecham Group	Thursday	2.395	3.01875	2.88
Brimming Group (The)	Thursday	1.5075	2.345	1.575
Buckley's Brewery	Thursday	0.6	1.375	0.7
Capital and Counties Property	Friday	0.7	1.4105	1.0
Casper Neil	Thursday	1.1885b	2.01	2.1
Chapman (Balham)	Friday	1.625	2.175	1.626
Coalite Group	Thursday	1.0297	2.04346	1.29
Coop Sportswear	Friday	0.1006	0.1006	0.2
Courtaulds	Thursday	2.764†	5.874	2.888
Dunhill (Alfred)	Wednesday	4.09173c	5.73343	5.25672d
Exchange Telegraph (Holdings) (The)	Thursday	2.088†	4.0335	2.25
Hill (Philip) Investment Trust	Thursday	1.375	3.2	1.5
International Paints (The)	Wednesday	0.76	1.857	0.873
London and Overseas Freighters	Friday	—	0.59555	—
London Sumatra Plantations	Thursday	2.0	4.0	2.0
Minster Assets	Friday	1.5	2.3	1.8
Monks Investment Trust (The)	Wednesday	0.8	1.25	1.0
New Throgmorton Trust (The)	Wednesday	0.84375m	0.78125	0.9
Normand Electrical Holdings	Thursday	0.97216a	1.57378	1.0927
Penio (P.)	Tuesday	0.8	0.8	—
Pickles (William)	Tuesday	0.2	0.2	0.2
Pyramid Group (Publishers)	Thursday	0.552	2.18433	4.077n
Sangers Group (The)	Thursday	1.8	4.58	1.8
UBM Group	Thursday	1.96438	2.78562	2.0
Warren Plantations Holdings	Thursday	2.345	5.805	3.0
Wettern Brothers	Friday	2.0671	3.1457	2.0671
Young and Co's Brewery	Thursday	1.7	1.8223	2.1

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
INTERIM DIVIDENDS				
Associated Sprayers	Wednesday	0.5	0.75	
Bass	Wednesday	2.1	5.7	
Borthwick (Thomas) and Sons	Thursday	2.4	3.8	
Caravans International	Wednesday	2.42	3.0	
Causton (Sir Joseph)	Thursday	0.75	1.0783	
General Stockholders Invest. Tst. (The)	Wednesday	1.0	2.7p	
Greenall, Whitley ordinary	Thursday	1.5304	3.71967	
Greenall, Whitley "A" ordinary	Thursday	0.306	0.7444	
I.C.L.	Thursday	0.875	2.1	
Moran Tea Holdings	Tuesday	5.0	5.0	
North British Steel Group (Holdings)	Monday	0.66	1.363	
Proprietors of Hays Wharf (The)	Thursday	1.72	4.63	
Scottish National Trust (The)	Tuesday	1.6	3.73795	
Stag Line	Thursday	—	5.0	
Wolverhampton and Dudley Breweries	Friday	2.5	6.0	
INTERIM FIGURES				
Spring Grove Services	Wednesday			

* Dividends shown net pence per share and adjusted for any intervening scrip issue. † Includes special interim dividend of 0.076p. ‡ Includes special interim dividend of 0.05475p. ¶ Includes second interim of 1.2196p. ∥ Includes second interim of 0.244p. § Includes non-recurring dividend of 0.6879p. m Includes second interim of 0.39375p. n Includes special dividend of 3.5p. p Includes non-recurring dividend of 0.8p. The following are compensating dividends included to allow for the change in the tax rate: a 0.0267. b 0.016. c 0.09173. d 0.25672.

BIDS AND DEALS

CU disposes of 7m Trafalgar shares

Commercial Union Assurance has reduced its shareholding in Trafalgar House, a company with which it has had close connections for many years.

L. Messel has sold through the market 7m Trafalgar shares, cutting CU's holding from 7.89 per cent to 4.95 per cent—just below the level at which a share stake has to be disclosed. It is understood that the shares were well spread over a large number of institutions.

No reason was given for the sale but it was thought to have been portfolio balancing decision.

Mr. Nigel Broackes, the chairman of Trafalgar was introduced to CU by Lord Crowther in the company's very early days. And CU has backed the company ever since.

The financial backing of CU has been crucial to Trafalgar. It enabled Mr. Broackes to carry out his first six figure deals; and it backed him in his first public takeover deal. CU's stake in Trafalgar has been built up over a number of years.

Sir Francis Sandilands, the CU chairman, is also on the board of Trafalgar.

MAPLE DIRECTORS ADVISE ACCEPTANCE

Shareholders of Maple and Co. (Holdings) are now being advised that it is their best interest to accept the revised offers from Waring and Gillow as the Maple directors intend to do so in respect of their own 111,147 Ordinary shares.

Amicable discussions have started between the boards of Maple and W&G regarding the future operations of the combined group and W&G has given assurances on the future of Maple employees.

B. PARADISE

The 10p per share offer by R. & J. Pullman, the clothing manufacturer and retailer, for the 37.1 per cent of the equity of B. Paradise not already owned, has been accepted in respect of 27,830 shares—3.2 per cent of the equity.

The offer—which has now closed—made in accordance with Takeover Panel rules following Pullman's acquisition of a further 33.9 per cent stake in Paradise at 3p per share, taking its holding up to 62.9 per cent.

The share purchase was made from directors and family shareholders and follows a similar purchase last October—although then the price paid was 10p.

Paradise has said that it would like to maintain a separate listing for Paradise shares. Trading in the shares—suspended at 24p on March 24—was resumed on March 27 and yesterday closed unchanged at 17p.

GRE merger to strengthen South African interest

BY JIM JONES IN JOHANNESBURG

Two South African insurance companies, Guardian Assurance and Union National South British Insurance, have announced merger plans which will result in a group with assets of about R125m (£68m) and an annual short-term insurance premium income of some R58m (£31m).

Guardian is 75 per cent owned by Guardian Royal Exchange of the UK, and 25 per cent by Johannesburg Headquartered Liberty Holdings. UNSBIC, which is quoted in Johannesburg, is 70 per cent-owned by the South British Insurance Company of New Zealand.

The deal is a reverse takeover of UNSBIC by Guardian, which will thereby obtain a listing. UNSBIC will acquire Guardian's assets in exchange for 6.8m shares, thereby increasing its capital to 10m shares of R1 each. Minority holders in UNSBIC are, at the same time, being offered 350 cents—a 50 per cent premium on the share's pre-suspension price—for their holdings by Liberty.

Following the merger, the new company will be more than 50 per cent-owned by GRE, 25 per cent by South British, 15.5 per cent by Liberty and the remainder by the public.

For the last few years, the South African short-term insurance industry has been subject to rate cutting and intense competition. UNSBIC and Guardian will clearly be in better shape to weather the next few years with pooled resources.

Based on Guardian's taxed profit for 1979 and UNSBIC's estimated taxed profit for the year to June 30, 1980, that of the combined group profit is estimated at R4.4m—equivalent to earnings of 44 cents per share on the enlarged capital.

GRAND MET

Shareholders of Grand Metropolitan approved the proposed acquisition of the U.S. tobacco and drinks group, Liggett, at a resumed EGM yesterday. The company's $570m offer for all Liggett shares expires on May 29.

Berkeley Hambro placing

Hambros Investment Trust has sold 1m shares in Berkeley Hambro Property in order to reduce its holdings in the property sector.

Rowe and Pitman placed the stake, which represents 5.88 per cent of Berkeley Hambro's ordinary capital, at a price of 201½p per share. The shares fell 8p to 206p yesterday. Hambros Investment Trust will continue to hold 1.33 per cent of Berkeley Hambro's ordinary capital.

Mr. David Gibbs, a director of the investment trust, said yesterday that Hambros was taking advantage of a sector which is doing well. Before yesterday's placing, around 18 per cent of the trust's portfolio was in the property sector and this has now been reduced to 14 per cent. Hambros will show a massive capital gain on the transaction, Mr. Gibbs added, and current tax regulations make this an attractive time to sell.

The shares were placed with about 30 separate buyers. Hambros Limited stressed yesterday that it had no intention of reducing its own 42½ per cent interest in Berkeley Hambro.

LAURENCE SCOTT

The offer by Rowe and Pitman to acquire shares in Laurence Scott at 60p each, on behalf of Mining Supplies, closed yesterday afternoon without the target level being reached.

Rowe and Pitman had set out to build Mining Supplies stake in Scott up to 29.9 per cent but after four days in the market a level of 27.3 per cent had been reached. The shares were unchanged at 60p yesterday.

QUEENS MOAT AND OLD SWAN

Queens Moat Houses, which owns nearly 15 per cent of Old Swan (Harrogate), may make an offer for the whole company.

The shares of Old Swan were suspended at just below 50p yesterday, putting a market value on the company of around £1.1m.

Old Swan operates a 150-room hotel in Harrogate. Queens Moat boosted its stake earlier this month by purchasing the 13.5 per cent stake held by Prince of Wales Hotels.

KENDATA PERIPHERALS

The industrial electronics division of the Swiss watch company, Longines, has signed a co-operation agreement with the British undertaking Kendata Peripherals under which Kendata will distribute optical reader units developed by Longines for use in data processing.

The agreement marks a further diversification in the non-watch sector for Longines and its parent group, Asuag, of Bienne.

EMESS LIGHTING

EMESS LIGHTING has purchased certain plant and machinery from the receiver of Balena for £190,000. The consideration, and future working capital requirements of £150,000 have been funded from existing cash resources by placing, subject to shareholders' approval, 178,000 new ordinary shares with Sphere Investment Trust. This represents 13 per cent of Emess's enlarged issued share capital.

Balena manufactures brass-plated decorative lighting products, sold to multiple and mail order groups, the biggest customer being British Home Stores. The contribution to Emess pre-tax profits for the period to June 30, 1981, is expected to be at least £60,000.

WESTERN MOTOR

Western Motor Holdings has acquired the Derbyshire Holiday Centre, Rhyl, for about £250,000.

Western Motor continues to trade satisfactorily with both main operating sub divisions in profit for first three months 1980, the directors state.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Activity on the bids front was sharply reduced from that of recent weeks, although a few sizeable deals were completed. Stockbrokers Rowe and Pitman made two successful forays into the market on behalf of clients. Acting for Mining Supplies, the brokers offered to pay 60p per share through the market for up to 25.99 per cent of electric machinery concern Laurence Scott. Mr. Arthur Snipe, chairman of Mining Supplies, which already held a 4 per cent stake in LS, has not ruled out the possibility of a full bid but has made plain that "the price won't be any more than we have paid today."

Rowe and Pitman then made a strike into Carpets International, Britain's largest manufacturer of tufted carpets, on behalf of Hong Kong Carpet Manufacturers. The latter, which held a 4.9 per cent stake before the purchase, paid £1.8m, or 32p per share, for a further 25 per cent and has stated that it has no intention of mounting a full bid.

London and European Group has acquired a 15.4 per cent stake in troubled electric motor and ceramics manufacturers Newman Industries, and has requested a meeting with the latter's board to discuss the matter. No bid is envisaged.

Dealings in the shares of both Charterhouse Group, the investment and banking concern, and merchant bankers Keyser Ullman were halted on Thursday, pending details of a merger which were released late yesterday.

Waring and Gillow's contested offer for Maple was declared unconditional on Wednesday after the former announced that having supplemented acceptances with market purchases, it was in control of 50.4 per cent of the equity. The board of Maple now advises shareholders to accept the offer.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder	Final Acc't'ce date
Prices in pence unless otherwise indicated.						
Assam Inv.¶¶	150*§	149	148	4.23	Inchcape	—
Barget	12‡	17	18	8.56	Tinnox	—
Bishopsgate Prop.	5*§	5	5	0.36	Bkly. Hambro	30/5
Bowring (C. T.)	166§§	153	153	181.7	Marsh and McLennan	—
British Sugar	196§§	206	202	117.6	Berisford (S. & W.)	—
Christy Bros.	30*	32	33	0.60	Simon & Coates	—
City & Intl. Tst.	138	124	127	18.82	Guthrie	—
Cray Elect.	31*§	34	34	0.93	Thrgmrtn. Tst.	—
Dolol Tea	270*	275	275	0.29	Tategold	—
Ewer (George)	52½§§	51½	51½	6.50	Cowie (T.)	—
Gibbs (A.)	85*§	83	83	9.80	HK & Shanghai Bank	—
Hoffnung (S.)¶¶	88*	87	74½	15.51	Burns Philp	—
Keyser Ullmann	84*	70††	70††	43.15	Charterhouse Group	—
Lidstone	280*	360	290	0.51	Greewalk Nominees	—
L. K. Industrial Invs.¶¶	18½*	18	16	0.20	Caparo Invs.	—
Lond. & Prvncl. Poster	500*§	470	287††	9.12	Reed Intl.	—
Maple¶¶	35§§	34½	27½	9.77	Waring & Gillow	—
Nationwide Leisure	6*§	6½	9	0.66	Rantlodge	—
Status Discount¶¶	53	52	69††	21.20	MFI	—
Steaua Romana	10*	36	7	0.25	English Assoc.	—
Turner (W. & E.)	87½*	85	48††	9.07	J. Hepworth	—
Viking Oil	300*‡	£13½	810	—	Deminex	—
Viking Oil	625*‡	£13½	910††	—	Sun Co.	—
Viking Oil	450*‡	£13½	£10	—	Hunt. Int. Petroleum	—
Wilson Bros.	37§§	34½	21	4.26	Fine Art Devs.	—

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. || Date on which scheme is expected to become operative. ** Based on 23/5/80. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional. ‡ Plus royalties.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Allied London	Dec.	579	(521)	0.45	(0.41)
Associated Engn.	Mar.	10,500	(10,300)	1.63	(1.63)
Avon Rubber	Mar.	784	(431)	4.0	(4.0)
Barton Transport	Mar.	123L	(101)L	—	(—)
B.O.C. Intnl.	Mar.	61,100	(32,300)	2.1	(1.9)
Brockhouse	Mar.	327	(1,370)	2.0	(2.0)
Carr (John)	Mar.	1,750	(1,410)	0.8	(0.66)
Chemring	Mar.	356	(237)	1.8	(1.65)
Concentric	Mar.	1,290	(1,060)	1.21	(1.1)
Cryatalate	Mar.	554	(398)	—	(—)
Fenner (J. H.)	Mar.	4,260	(2,810)	6.63	(3.3)
I.C.I.	Mar.b	152,000	(98,000)	—	(—)
K Shoes	Mar.	2,370	(2,109)	1.2	(0.86)
Leeds Dyers	Mar.	372	(445)	1.0	(0.7)
Leys Foundries	Mar.	163	(530)L	1.05	(1.05)
Management Agy.	Jan.	1,370	(1,410)	2.8	(2.51)
Morland & Co.	Mar.	825	(508)	1.0	(0.75)
Plaxtons	Mar.	1,940	(1,127)	8.0	(2.25)
Redfearn Glass	Mar.	184	(339)	5.28	(5.28)
Redman Heenan	Mar.	1,090	(1,190)	2.2	(2.0)
R. Dutch Shell	Mar.b	718,000a	(818,000)a	—	(—)
Stakes (Reo)	Mar.	1,470	(1,250)	0.4	(0.26)
Stenhouse Hldgs.	Mar.	5,790	(5,650)	—	(1.8)
Titaghur Jute	Dec.	3,528§	(234)L§	—	(—)
Unochrome Inds.	Mar.	620	(304)	0.25	(—)
Westward TV	Jan.	308	(428)	0.6	(0.6)
Williams (John)	Mar.	325	(128)	1.1	(1.0)

(Figures in parentheses are for corresponding period.)
Dividends shown net except where otherwise stated.
† Correction. ‡ 40 weeks to February. ¶ For year to 31/12.80. || Pre tax income. § Net profit. a Net income. b First quarter. L Loss.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Advance Lndries.	Dec.	4,490	(3,660)	10.0	(7.5)	2.6	(2.70)
Boots	Mar.	121,300	(113,000)	22.5	(21.6)	7.0	(8.0)
British Syphon	Dec.	1,306	(1,204)	12.6	(16.0)	4.0	(3.32)
Cakebread Robey	Dec.	881	(790)	9.2	(7.3)	2.3	(1.82)
Chamberlin & Hill	Mar.	1,020	(750)	16.8	(11.8)	2.6	(2.03)
Debenhams	Feb.	15,818	(23,308)	9.4	(14.3)	6.37	(6.10)
Duport	Jan.	6,560	(5,800)	13.0	(10.6)	5.24	(5.15)
Emray	Dec.	163	(152)	1.2	(1.1)	—	(—)
Estate & Agency	Dec.	104	(52)	1.0	(1.0)	1.0	(—)
Evered Hldgs.	Dec.	44L	(819)	—	(4.9)	0.7	(1.0)
Exploration Co.	Dec.	712	(780)	3.4	(3.5)	1.25¶	(0.7)
Fidelity Radio	Mar.	827	(1,720)	7.7	(8.7)	5.66	(5.66)
Fine Arts	Mar.	6,060	(5,540)	6.0	(6.8)	2.5	(2.05)
Hartwells Group	Feb.	2,860	(2,250)	23.5	(20.3)	5.37	(4.6)
Hawker Marris	Dec.	245L	(188)	—	(30.7)	—	(7.14)
Heath (C. E.)	Mar.	12,950	(16,050)	22.1	(29.6)	9.66	(8.39)
Helical Bar	Feb.	259‡	(137)	7.7	(3.0)	2.75	(1.0)
Kwik-Fit†	Feb.	2,000	(1,150)	6.0	(6.2)	1.34	(0.92)
Land Securities	Mar.	38,120||	(26,359)||	8.7	(8.1)	7.8	(6.5)
London & Nthrn.	Dec.	12,880	(11,770)	14.9	(10.8)	3.75	(3.35)
Manchester Lars.	Dec.	3,200L	(500)	—	(4.3)	—	(—)
Nichols (Vimto)	Mar.	1,810	(1,280)	52.3	(32.4)	14.0	(6.25)
Ptsmth. & Sndrld.	Mar.	3,990	(2,880)	17.1	(11.0)	3.25	(2.8)
Press (William)	Dec.	8,630	(1,232)	3.8	(5.3)	1.2	(1.04)
Pritchard Services	Dec.	2,410	(2,570)	7.3	(7.4)	2.25	(1.66)
Readicut Intl.	Mar.	4,630	(9,310)	2.8	(10.1)	1.25	(1.77)
Samuel (H.)	Feb.	14,940	(13,430)	18.2	(16.8)	6.25	(5.2)
Scott & Robertson	Feb.	619	(825)	15.0	(11.6)	3.06	(3.06)
Stonehill Hldgs.	Mar.	2,004	(1,810)	21.3	(22.6)	8.5	(6.0)
Toye & Co.	Dec.	451	(388)	18.6	(17.2)	1.63	(1.40)
Warrington (T.)	Dec.	307	(244)	11.9	(4.0)	3.54	(3.33)
Whitbread	Mar.	61,810	(54,350)	21.9	(19.5)	6.0	(4.76)
Wormalds Walker	Feb.	100L	(140)L	—	(—)	—	(—)

Offers for sale, placings & introductions

Nimslo European Holdings—Placing 2.1m ordinary shares of £1 each and £3.75m of 14 per cent unsecured loan stock in units of one share and £1.70 of loan stock at £3.40 per unit to raise £7.14m.

Oakwood Group—Placing 500,000 shares at 83p each raising £415,000.

Folkestone and District Water Company—Offer for sale by tender of 10 per cent redeemable preference stock at a minimum price of £100 per cent to raise £2.5m.

North Surrey Water Company—Offer for sale by tender of 10 per cent redeemable preference stock at a minimum price of £100 per cent to raise £2m.

APPOINTMENTS

Oilfab chairman joins British Shipbuilders

Mr. Stanley R. Harding, a director of Hill Samuel and chairman of the Aberdeen-based Oilfab Group, has been appointed to the Boards of BRITISH SHIPBUILDERS and BPB (British Paper and Board Industries).

★

Mr. Dick Steele is to become director general of the NATURE CONSERVANCY COUNCIL from July 1 in place of Mr. Bob Boote who has retired. Mr. Steele is at present head of the division of scientific services at the Institute of Terrestrial Ecology.

★

Mr. Andrew J. C. Sommerville has joined the Board of MERCANTILE HOUSE HOLDINGS as finance director. Mr. Richard J. Toomer and Mr. Christopher White-Thomson have also been appointed to the Board.

★

Mr. Sydney V. Robinson, a main board director of Ranks Hovis McDougall and chairman of RHM Agriculture, has been elected president of the UNITED KINGDOM AGRICULTURAL SUPPLY TRADE ASSOCIATION.

★

Mr. A. C. Owen will be joining the partnership of GILBERT ELIOTT AND CO., stockbrokers, on July 1.

★

Mr. Tony Broom has been appointed managing director of AUDIO PRO (HI-FI).

★

Mr. Ian C. Smart has joined ULTRA ELECTRONIC CONTROLS as financial director.

★

Mr. Paul Lockyear has been appointed director, marketing, of COMMERCIAL CREDIT SERVICES.

★

Mr. Nathan Gelber has been appointed executive director and Miss Janet Phippard, associate director, of BATEMAN EICHLER HILL RICHARDS INTERNATIONAL, a newly-formed subsidiary of Bateman Eichler Hill Richards Inc., investment bankers. Mr. Gelber and Miss Phippard were previously with Orion Bank.

★

Sir Henry Phillips is to join the board of MAXIM INVESTMENTS as a non-executive director.

★

Mr. G. Malcolm Murray, deputy general manager of the Scottish Life Assurance Company, is to succeed Mr. John G. Wallace as chairman of McNEILL PEARSON INVESTMENTS from July 1.

★

Mr. K. P. Summers has been appointed to the board of C. W. VICK INTERNATIONAL.

★

Mr. Deryk Vander Weyer (chairman of Barclays Merchant Bank and vice-chairman of Barclays Bank) has been re-elected president of THE INSTITUTE OF BANKERS for a second year of office (1980-81). In this capacity he is also chairman of the council of the Institute of Bankers. Mr. P. A. Graham (group managing director, Standard Chartered Bank) has been elected deputy chairman of the Council of the Institute.

THE INVESTMENT TRUST TABLE

The figures in the columns below are based on information supplied by the companies named, which are members of The Association of Investment Trust Companies. The figures are unaudited.

as at close of business on Monday 19th May 1980 — Geographical Spread at 30th April 1980

Total Assets less Current Liabilities (1) £ million	Company (2)	Share Price (3) pence	Yield (4) %	Net Asset Value (5) pence	UK (6) %	Nth. Amer. (7) %	Japan (8) %	Other (9) %	Total Return on N.A.V. over 5 years to 30.4.80 (10) base = 100
	VALUATION MONTHLY								
146	Alliance Trust	196	7.3	279	68	23	8	8	145
126	British Invest. Trust	138	7.4e	195	77	18	4	1	†
13	Grange Trust	89	6.1	119	73	21	1	5	169
71	Great Northern Invest. Trust	103	7.6s	144	80	9	1	10	168
79	Investors Capital Trust	74	4.8s	110	54	30	7	9	147
13	Jardine Japan Invest. Trust	96	1.8s	107	8	—	78	14	91
20	River Plate & General Invest. Trust	182	7.1	247	82	4	—	14	†
12	xSave & Prosper Linked Invest. Trust	60	—	148	100	—	—	—	188
135	Scottish Invest. Trust	95	5.9	137	□58	28	4	10	152
65	Scottish Northern Invest. Trust	82	6.6	111	75	22	—	3	205
115	Scottish United Investors	63	4.9	85	42	66	6	16	154
48	Second Alliance Trust	163	7.0	240	68	23	3	6	144
4	Shires Investment Co.	125	11.1	144	100	—	—	—	191
83	United States Debenture Corpn.	84	8.1e	118	72	28	—	—	150
	Baillie Gifford & Co.								
117	Scottish Mortgage & Trust	106	7.0	151	47	38	5	10	144
†	Monks Invest. Trust	50	6.4	†	†	†	†	†	†
15	Winterbottom Trust	210	5.1	292	46	40	4	10	155
	Baring Bros & Co. Ltd.								
44	Outwich Invest. Trust	61	4.7	83	68	15	1	16	173
27	Tribune Invest. Trust	89	4.2s	100	54	20	4	22	147
	East of Scotland Invest. Managers								
46	Aberdeen Trust	96	7.9	133	83	16	—	1	†
	Edinburgh Fund Managers Ltd.								
65	American Trust	50	*5.8	68	□64	62	3	1	179
11	Crescent Japan Invest. Trust	146	6.4	168	—	□3	97	—	121
14	General Scottish Trust	92	7.8	127	72	19	4	5	193
9	Wemyss Invest. Co.	291	8.4	390	76	13	1	10	154
	Electra Group Services								
†	Electra Invest. Trust	128	7.0s	†	†	†	†	†	†
†	Globe Invest. Trust	130	6.9s	†	†	†	†	†	†
38	Temple Bar Invest. Trust	102	9.3s	130	85	4	—	1	†
	F & C Group								
24	Alliance Invest. Co.	120	5.1s	158	64	16	8	16	177
26	Cardinal Invest. Trust	106	5.6s	147	66	12	2	21	166
6	F & C Eurotrust	49	3.5	59	27	1	—	72	97
195	Foreign & Colonial Invest. Trust	66	4.8	125	61	20	8	11	165
33	General Investors & Trustees	133	5.9s	187	58	12	2	28	167
	GT Management Ltd.								
21	Berry Trust	88	2.0	115	69	19	7	35	228
19	GT Japan Invest. Trust	166	5.6	170	33	4	47	16	174
9	Northern Securities Trust	138	4.1	207	48	19	8	25	188
	Gartmore Invest. Ltd.								
7	xAltifund Ltd.	208	0.4	302	96	3	—	4	†
25	Anglo-Scottish Invest. Trust	45	7.0s	70	67	22	—	11	161
67	English & Scottish Investors	86	*5.4	131	60	21	1	18	176
6	Group Investors	71	4.8	102	□60	29	2	9	628
6	London & Gartmore Invest. Trust	73	1.5	100	50	17	1	32	160
9	London & Lennox Invest. Trust	52	6.7	76	50	61	—	19	177
24	London & Lomond Invest. Trust	76	8.4s	106	77	20	—	3	180
12	London & Strathclyde Trust	60	5.4s	69	66	16	—	16	158
15	Meldrum Invest. Trust	56	6.4s	74	96	—	—	4	212
	Gartmore Invest. (Scotland) Ltd.								
77	Scottish National Trust	153	4.3s	618	64	21	2	18	164
20	Glasgow Stockholders Trust	109	4.5s	159	59	23	—	16	166
	John Govett & Co. Ltd.								
86	Border & Southern Stckhldrs. Trust	59	6.6s	85	64	20	6	6	162
13	General Stckhldrs. Invest. Trust	113	3.7s	172	54	31	5	10	165
66	Lake View Invest. Trust	94	5.5s	137	64	16	6	10	164
66	Stockholders Invest. Trust	94	4.6s	187	50	38	8	4	158
	Hambros Group								
25	Bishopsgate Trust	194	6.3s	288	73	21	1	5	185
5	City of Oxford Invest. Trust	67	6.2s	112	99	—	—	1	233
51	Hambros Invest. Trust	117	6.4	172	□72	24	—	4	161
6	xRosedimond Invest. Trust	94	—	131	99	—	—	1	232
	Henderson Administration Ltd.								
124	Witan Investment Co.	69	5.2	135	62	22	12	4	153
22	Electric & General Invest. Co.	79	8.7	115	63	26	4	7	146
6	Greenfriar Invest. Co.	96	3.0	143	56	16	6	19	179
7	Lowland Invest. Co.	61	8.4	78	93	—	—	7	206
	Philip Hill (Management) Ltd.								
11	General & Commercial Invest. Trust	147	8.3s	202	76	17	—	5	181
24	General Consolidated Invest. Trust	91	6.0s	122	80	17	—	3	189
126	Philip Hill Invest. Trust	92	7.5	123	82	15	—	3	182
6	Moorgate Invest. Co.	161	7.1	167	96	6	—	2	252
36	Nineteen Twenty-Eight Invest. Trust	68	8.1s	92	73	23	1	3	156
	Industrial & Commercial Fin. Corpn.								
12	London Atlantic Invest. Trust	88	6.6	100	87	6	—	5	†
8	North British Canadian Invest. Co.	109	5.6	112	98	6	—	—	†
	Investment Trust Services Ltd.								
28	Capital & National Trust	125	*6.6	178	74	16	3	8	174
13	Claverhouse Invest. Trust	104	7.4s	130	99	1	—	—	239
12	Crossfriars Trust	97	7.1	124	100	—	—	—	225
60	Guardian Invest. Trust	82	6.8s	116	84	9	3	4	160
36	London & Holyrood Trust	114	6.4s	151	71	17	4	8	164
25	London & Montrose Invest. Trust	184	5.9	260	66	21	5	8	159
47	London & Provincial Trust	104	8.6s	148	67	21	4	8	156
107	Mercantile Invest. Trust	46	7.1s	64	63	25	3	9	172
41	Sterling Trust	188	7.0s	236	75	20	3	2	157
28	Technology Invest. Trust	99	5.2s	140	68	27	3	2	152
75	United British Securities Trust	122	7.0	168	71	17	4	8	159
23	United States & General Trust	190	6.5s	274	74	18	2	6	162
	Ivory & Sime Ltd.								
67	Atlantic Assets Trust	166	0.8	221	□50	44	—	□6	312
110	British Assets Trust	76	6.4s	100	□54	41	—	5	196
39	Edinburgh American Assets Trust	57	1.8	75	34	54	2	10	187
24	Viking Resources Trust	212	1.1s	231	36	59	—	5	296
	Keyser Ullmann Ltd.								
11	xThrogmorton Secured Growth Trust	104	—	171	100	—	—	—	260
51	Throgmorton Trust	90	8.9	114	100	—	—	—	302
	Kleinwort Benson Ltd.								
28	British American & General Trust	41	7.5s	65	74	19	3	4	167
25	Brunner Invest. Trust	53	6.6	75	64	25	4	7	†
33	Charter Trust & Agency	55	7.4s	79	73	18	4	5	†
42	English & New York Trust	73	7.1s	104	71	22	2	5	162
5	Family Invest. Trust	117	6.8	117	96	—	—	4	†
3	Jos Holdings	55	7.3s	69	83	8	3	6	†
7	London Prudential Invest. Trust	89	6.8	112	77	17	2	4	218
53	Merchants Trust	72	7.4	102	67	25	3	5	†
	Lazard Bros & Co. Ltd.								
47	Raeburn Invest. Trust	115	6.8s	172	69	24	1	6	189
38	Romney Trust	84	6.3s	124	61	32	2	5	148
	Martin Currie & Co. CA								
11	Canadian & Foreign Invest. Trust	104	7.0	157	72	24	1	3	157
19	St. Andrew Trust	115	8.9s	162	73	21	3	3	167
95	Scottish Eastern Invest. Trust	61	6.7s	86	65	29	3	3	152
23	Scottish Ontario Invest. Co.	58	7.6	82	82	29	4	5	141
54	Securities Trust of Scotland	83	8.3	121	89	23	5	3	153
	Murray Johnstone Ltd.								
45	Murray Caledonian Invest. Trust	46	*4.5	70	49	32	7	12	148
66	Murray Clydesdale Invest. Trust	43	*4.9	64	47	34	8	11	146
16	Murray Glendevon Invest. Trust	85	*8.6	128	51	28	8	13	159
7	Murray Minor Invest. Trust	73	*4.7	102	53	31	8	6	163
23	Murray Northern Invest. Trust	49	*4.6	76	45	36	7	12	147
74	Murray Western Invest. Trust	55	*5.5	82	48	33	7	11	145
	Rivermoor Management Ltd.								
†	The London Trust Ltd.	137	5.6	†	†	†	†	†	†
16	The Moorside Trust Ltd.	101	6.5	166	65	23	—	12	†
33	River and Mercantile Trust	197	8.7s	270	86	2	—	12	†
	J Henry Schroder Wagg Group								
22	Ashdown Invest. Trust	133	6.0s	196	56	32	5	6	159
7	Australian & International Trust	99	4.8	124	43	7	—	50	124
30	Broadstone Invest. Trust	143	6.6s	208	56	35	4	5	163
53	Continental & Industrial Trust	206	6.4s	290	66	32	—	2	164
30	Trans-Oceanic Trust	163	6.9s	239	49	39	5	7	156
13	Westpool Invest. Trust	147	4.9s	144	55	33	7	5	157
	Stewart Fund Managers Ltd.								
78	Scottish American Invest. Co.	100	6.0	129	58	30	1	11	207
8	Scottish European Invest. Co.	38	6.2	48	3	—	—	97	98
	Touche Remnant & Co.								
108	Atlas Electric & General Trust	64	6.7	83	71	13	3	13	184
66	Bankers' Invest. Trust	58	7.5	84	60	14	1	5	161
17	CLRP Invest. Trust	70	7.1	105	67	11	1	21	157
33	Cedar Invest. Trust	70	8.2	96	75	10	3	12	163
46	City of London Brewery & Inv. Trust	68	7.5	96	95	1	—	4	183
30	Continental Union Trust	112	7.7	166	69	17	2	12	160
196	Industrial & General Trust	66	6.3	85	70	14	2	14	184
41	International Invest. Trust	73	7.5	109	76	14	5	3	163
54	Sphere Invest. Trust	116	5.3	166	71	16	6	8	164
39	Trust Union	58	7.5	82	71	16	1	12	169
73	Trustees Corporation	58	5.7	76	74	9	1	16	188
	Williams & Glyn's Bank Ltd.								
10	Sizewell European Invest. Trust	75	4.0	93	□35	9	—	56	106
2	Atlanta Baltimore & Chicago	54	6.2	66	□23	77	—	—	145
2	West Coast & Texas Regional	66	2.7	77	□19	81	—	—	146
	VALUATION THREE-MONTHLY								
3	Cumulus Invest. Trust	28	4.4	48	82	11	1	6	149
	James Finlay Invest. Management								
2	Provincial Cities Trust	29	9.0	36	95	—	—	5	160

NOTES TO THE TABLE

† No data.
x Split capital trust (capital shares).
* Applies to Ordinary/"A" Ordinary only.
s Does not include special dividend.
□ More than one quarter in non-equity investments.
ac Adjusted for scrip issues.
c Not approved for capital gains tax purposes.
ɸ Figures not provided in view of announced discussions or recent developments affecting the company.

(a) Cols. 1, 6 to 6 — Figures supplied by Wood Mackenzie & Co., members of The Stock Exchange. Col. 1 to nearest £1m; Cols. 3 & 5 to nearest penny per share.

(b) Cols. 1, 5 — Statistics simulated to date shown based on latest valuations supplied by the companies and made available to The Stock Exchange. In these valuations listed securities are valued at mid-market prices and unlisted at directors' valuation. All revenue account items are excluded.

(c) Col. 4 — Based on last declared dividend or firm forecast, plus tax credit, to nearest 0.1 per cent.

(d) Cols. 6 to 9 — Percentages of total assets less current liabilities. Currency balances are allocated to the relevant geographical sector.

(e) Cols. 5, 19 — Prior charges and preference share capital deducted at market value; convertible stocks deemed to be converted; warrants treated as not exercised.

(f) Col. 10 — Figures supplied by AITC Statistics Service, to nearest one per cent. A full description of the information shown in this column is given in the Investment Trust Year Book. In summary, the figures show the percentage changes in the net asset values over the period assuming that dividends paid, excluding tax credit, were reinvested in the underlying assets of the company.

INDICES OF FIVE YEAR TOTAL RETURN

General Trust Average	171
F.T.—Actuaries All Share	218
*Standard & Poors Composite	78
*Capital International World	82

*Adjusted for exchange rate changes.

EXPLANATORY NOTES

Use of total return statistics and care in interpretation

The total return statistic, which adjusts the net asset values for dividends, excluding tax credit, distributed during the period, enables companies with substantially different capital growth and dividend policies to be more fairly compared. A period of five years provides a good indication of trends and, in normal circumstances, should cover a traditional bull and bear market in the major world stock markets.

Each total return figure is indexed from a base of 100 at the commencement of the period and records the movements between two particular dates. Any particular total return figure may thus be affected by exceptional factors, operative at either the base date or at the final date, which were influencing the stock market generally or a sector of the market in which the company was interested. The geographical distribution of a particular company's portfolio should be considered in assessing its relative performance.

While the return total statistic, if used with care, provides a valuable guide to past experience which can assist comparison of one company with another, or the trust movement with other investment media, it should always be borne in mind that past performance is not necessarily a guide to future achievement.

The total return statistic for split capital trusts is not directly comparable with that for other companies because of the difference in capital structure. The split capital trusts have therefore been identified in the Table and are not included in the General Trust Average index figure.

Calculation of NAV

In order to avoid a plethora of figures and to facilitate comparability, the statistics of net asset value have been calculated on a uniform basis which may, in the case of a particular company, differ from the corresponding figures in its Annual Report and Accounts.

The net asset value is calculated on the "going concern" basis, is with prior charges deducted at market value, as it is believed that this basis is the most widely accepted for comparative purposes.

BOOKS on sport, games and pastimes

Good goals

BY C. P. SNOW

Association Football and English Society
by Tony Mason. Harvester Press. £15.95, 278 pages

Dr. Mason's work on Association Football is an interesting and valuable piece of social analysis. It is a little surprising that it hasn't been attempted before, but this is a pioneer exploration which will no doubt be followed up. We have remained curiously blind to a good many of the most significant phenomena of our kind of society, and organised games are among the most omnipresent.

They are a very recent development, not much more than 100 years old. Almost without exception, they have been socially mobile in a downward direction. Association football is the clearest case. Of course, young men have kicked balls about in a disorderly fashion for long enough. But until something like 1860, there was not even tentative agreement about a code of rules, or even a rough and ready organisation of the game. Various independent schools had their own versions of a kicking game. It was from these that soccer as we know it quite rapidly derived. It spread very fast, sometimes carried by men who learned the game at school, to churches, clubs, pubs, great slices of the population of nineteenth century industrial England.

It didn't stop there. It proved the most infectious of all games. At the time of the First World War it was already becoming the standard game of the working-class over much of the world. That process hasn't stopped. You now have to travel a long way to find places where soccer is not known.

There are technical reasons for this proliferation. In principle the game is simple. Anyone can understand the basic idea almost at sight. This isn't true of other varieties of football, for example rugby or American football. The latter, though it glues half America in front of television sets every weekend, has scarcely spread at all. Soccer has also an immense advantage as a spectator sport. The action is continuous. There is very little stop and go. Physically it is a beautiful game. I doubt if anyone could say the same of its moral ambience.

Exactly the same reasons which has made it so popular a spectator sport make it impossible to write about. It is the games without continuous action, that is which consist of discrete events, which have produced a fine literature. Cricket is the outstanding illustration. Baseball has a decent literature, and so has golf. Both are, of course, games of discontinuous happenings.

As a popular sport soccer had everything in its favour. Dr. Mason has now given us much sociological evidence as to how and where it developed, who ran its business side, where the players came from, and how they lived. He draws some comparisons with the cricket world of his period, but it would be illuminating if he could devote exactly the same degree of attention to cricket. The documentary evidence is probably more complete, and some of the differences would be instructive.

One feature of the first generation of organised soccer (the game didn't allow for professionals until 1885, which is many years later than cricket had done) was its close connection with public houses and the brewing trade. Public houses served as changing rooms for a number of clubs which are now world famous. Brewers and publicans were strongly in evidence among club directors—about whom Mason produces some careful analyses. This strikes one as somewhat odd. There was no real money made out of soccer directly, though there may have been useful contacts. Clubs weren't permitted to pay dividends of more than 5 per cent. Until the end of Mason's period, the maximum wage for a player was £4 a week.

As Mason realistically observes, that wage was probably rather higher than the players would have earned in the working occupations from which they nearly all came. In their playing lives, they did about as well as professional cricketers. Even a great star like Hobbs earned only a very modest minor professional income. But the cricketers had some advantages. The playing career was much longer. There were appreciably more jobs, coaching and the like, after the playing days were over.

It is sad to hear of the later life of many great games players. A number finished as drunks and in abject poverty. It was hard enough even for those who had made some sort of provision for the future. It was glum to live with past glory and find yourself forgotten. Mason doesn't give any information about the number of suicides among retired soccer players. Among cricketers, they are statistically quite disproportionate.

Nowadays the financial fortunes of eminent games players are spectacularly different from those described in Mason's book. But some of the social background has lingered on. Anyone interested in games in general, soccer in particular, or above all the values of our modern world, ought to take a long and careful look at this scrupulous study.

West Ham's boy wonder, Paul Allen, with cup and Mum

Under orders

BY KATE MORRISON

Knight of the Turf—The Life and Times of Sir Gordon Richards
by Michael Seth-Smith. Hodder and Stoughton. £8.50. 183 pages

Badminton Horse Trials—A History of the Three-day Event
by Carol Foster. Barrie and Jenkins. £15.00. 221 pages

Horse Sense
by Norman Thelwell. Methuen. £2.25. 29 pages

The Australian and New Zealand Thoroughbred
by Ross du Bourg. Michael Joseph. £19.50. 283 pages

In the 1950s the thrills of the turf were not only enjoyed by race-goers; they even penetrated to the classroom. The invariable, and in the end accepted answer, at Kingswood School, Epsom, to the second of the two general knowledge questions "What is the longest day in the year?" and "what is the shortest night?" was "Sir Gordon Richards."

This wide acclaim was, and is, not surprising, all things considered: he was champion jockey 26 times and during his 34 years as a jockey had won 4,780 races. What is surprising is that he won the Derby only once. With its downhill course involving a left-handed and a right-handed bend it is said by some to be the supreme test of flat racing. How fortunate that the pinnacle of his career eluded him until his penultimate season and that ambition satisfied earlier did not lead him to retire sooner.

Knight of the Turf, by Michael Seth-Smith covers more or less the same ground as Richards' biography *My Story*, but there is a pace and style here which reflect the rigours of the season more acutely than Richards could. The 1949 Royal Ascot is a treasure trove for racing fanatics:

"Royal Ascot found Gordon in scintillating form, for he rode three winners, Pambidian, Palestine, and Faux Tirage on the first afternoon, another winner on Gold Cup day and three on the final day."

However Michael Seth-Smith does not explore at length the reason for so much consistent success; one still wonders at the end what exactly was Richards superior advantage over others. His light stocky build certainly helped, and this enabled him to have the pick of more good horses than his forerunner. Fred Archer, who at five feet eight inches was constantly dieting and depressed. Bernard Carslake, a contemporary jockey, maintained that he had perfect balance and only a very light hold of the horse's head. His position in the saddle, copied from Steve Donoghue whom he admired greatly, was more upright than is usual. However, Richards with his customary generosity likes us to believe his achievements are owed to those closely connected with him; and it does seem to be just that generous spirit—a mental balance which combined with his balance in the saddle to produce a consistent winner.

Badminton, the "Derby" of horse trials, although not so steeped in tradition as Derby day (its first appearance in the equestrian calendar only being in 1949) shares that same crowd-drawing quality, partly because the results are significant for the choice of Britain's next international team.

The sport originated on the Continent, as a way of training cavalry, and 50 years or so elapsed before the foxhunting English could consider it as civilised. Indeed, dressage was held to be highly suspicious. "There is nothing which so gets under the skin of an English horseman as to be told he does not know how to ride." We may on the whole ride with panache and safety across country but our downfall often tends to come in the dressage arena.

Gordon Richards, who is the subject of a new biography reviewed today, with the Queen.

In *Badminton Horse Trials* Carol Foster discusses the training of horse and rider from every aspect, and the construction of the solid timber fences. The idea, she says "is to preserve horses rather than injure them." Certainly having scrutinised the spectacular action photographs that belong to the chapter "Trials and Tribulations" one wonders how, or if, horses survive such calamities.

The transition to three-day eventing of this calibre is often made via the Pony Club; and a very good way of discouraging your children from ever having ambitions in that direction is to invest in *Horse Sense* by Norman Thelwell. It is an extract from his earlier *A Leg at Each Corner* but here the misadventures are larger, and in colour.

Ross du Bourg is an authority on the racing and breeding of thoroughbreds. He has produced a scholarly and meticulously classified study of breeding since the war to back up his claim that the cream of Australian and New Zealand stallions are superior to their overseas counterparts.

The evolution of the Australasian thoroughbred has, during this period, he says, "improved in leaps and bounds." He has made a division between lines of speed and lines of stamina and places great emphasis on stamina, maintaining, that toughness and adaptability are of supreme importance because of the vast distances that must be travelled. This book's appeal should be to private breeders and anybody interested in the science of genetics.

Aiming hard at the boundaries

BY TREVOR BAILEY

Keith Miller
by Mihir Bose. Allen and Unwin, £5.50, 175 pages

Caribbean Cricketers: From the Pioneers to Packer
by Clayton Goodwin. Harrap Books. £8.50. 260 pages

The Wildest Tests
by Ray Robinson. Cassell. £5.95, 221 pages

Runs and Catches
by Tony Pawson. Faber and Faber. £5.95, 155 pages

The Wisden Cricketers' Almanac
Wisden, £5.75, 1,239 pages

Village Cricket
by Gerald Howat. David and Charles, £5.95, 160 pages

Keith Miller was the most exciting cricketer Australia has produced since the war, so that it is hardly possible to write a dull biography about him, and Mihir Bose's *Keith Miller* is certainly very entertaining. The book has been carefully researched, is well written and the author is plainly fascinated by his subject, but something is missing. Although it has largely caught the dynamic player, dashing batsman, magnificent, sometimes reluctant fast bowler, and a brilliant fielder, it fails to explain the man, or what made him tick.

Incidentally it is not correct that I was never entertained in my playing days at Keith's home. He never allowed events on the field to interfere with his social life. It is pleasant to recall that throughout four hard series he never once swore at me within my hearing, though there were occasions when he had ample cause! Times have changed in this respect, and not for the better.

The claim on the sleeve of *Caribbean Cricketers* to be the first comprehensive history of West Indian cricket is not strictly accurate. It is far from comprehensive and is essentially an all too brief account of West Indian players in international cricket, rather than West Indian cricket.

The author gives sketches of the most famous players with a linking chapter on the period. This has not assisted the continuity, but fortunately there is an excellent name-index. Clayton Goodwin clearly loved his task, but one cannot help feeling that in his efforts to avoid giving offence he has largely ignored the political, ethnic and administrative weaknesses which have always hampered West Indian cricket. This is also reflected in some of his text. Talking of West Indian pace-bowlers at the turn of the century he writes they "derived generally from the less affluent parts of the community," meaning they were black and poor.

Describing George Headley's final test he writes: "Before falling to a controversial delivery from the left-arm spinner." A more accurate description would be that George was thrown out by Lock's first ball while still on his backlift.

Anyone interested in how the West Indies have developed from their early days into the best side in the world will enjoy this book immensely, even if it does contain some odd statements like "Boyce was essentially a product of the English game." Having brought Keith Boyce back from Barbados, to me he will always represent a perfect example of a true West Indian cricketer.

Ray Robinson is a most accomplished and respected cricket writer and his latest book, *The Wildest Tests*, is extremely readable. He recalls a number of tests which have been interrupted by crowd violence. Rather sadly, all but one of these have been played since the war.

Judging by his account of incidents in those games when I was present the author has allowed himself a certain amount of poetic licence which will help to perpetuate several pleasing legends. This is an absorbing chronicle of some occasions when cricket turned sour by a man who knows the game.

Tony Pawson was the last, and only person, to play first-class cricket and first division football as an amateur since the war. An intelligent, observant, and very likeable man, he has led a full and varied life in sport, business and journalism which he describes extremely well in his autobiography *Runs and Catches*. This book also reflects many of the changes that have occured and some of the problems.

The Wisden Cricketers' Almanac, is like an old friend who changes little, turns up each year and is always most welcome. Sadly Norman Preston who had edited the publication so well, and for so long died recently. He will be much missed by all connected with the game, but the publishers are to be congratulated on finding such a good successor as The Times correspondent, Johnny Woodcock.

True village cricket has enormous charm and appeal which is beautifully conveyed by Gerald Howat, in his elegant history about it. *Village Cricket* is a joy to read, while the carefully chosen photographs and cartoons provide an additional bonus; a book to read and read again.

Karpov's tactics

BY LEONARD BARDEN

Chess Is My Life
by Anatoly Karpov and Aleksandr Roshal
Pergamon. £6.95, 359 pages

It was typical of the uncompromising rivalry between world chess champion Karpov and his 1978 challenger, Korchnoi, that they should select the identical title for their autobiographies.

Chess Is My Life, by Anatoly Karpov and Aleksandr Roshal lacks the insider revelations which made Korchnoi's book compulsive reading, but will provide useful clues for the many chess players who would like to emulate Karpov's remarkable consistency. His record of tournament first prizes compares with his greatest predecessors such as Capablanca, Alekhine and Fischer.

The book is mainly written by Roshal, a leading Soviet chess journalist, but contains extensive quotes from Karpov's interviews and assessments of tournaments, plus a wide selection of his best games.

The overall impression is of a strong, pragmatic character with none of Korchnoi's agonising moods of self-doubt. Karpov notes that the competitive and psychological aspects of chess have become more important in recent years. The rapid transmission of knowledge obliges a grandmaster to continually change his systems and variations.

A sacrifice? "Of course, if it is correct. But burning boats is not my speciality."

Draws? "Half points suit me if . . . these enable me to attain a desired result."

A choice of good plans? "It depends to a great extent on my opponents . . . but if I see one correct path, I go only along that."

Other grandmasters might echo these sentiments, but Karpov's special talent was proved in his early brilliance at "blitz chess" at five minutes a game, and in his flair for analysis. The exceptional competitive quality, the will to win, is not so obvious as with Alekhine but emerges in several incidents such as a last round in Skopje. Karpov needed only a draw for first place in the tournament but to everyone's surprise, went all out against his nearest rival. Afterwards he whispered to Roshal: "Fischer once played here. He scored 13½ points out of 17, I have 12½ out of 15. As a percentage this is higher."

Karpov in action against Korchnoi

An earlier book by Karpov My Best Games (£4.95) is one of a number of chess books now available in paperback in the UK from Pitman House. The Life and Games of Mikhail Tal (£5.95), another blend of autobiography and chess moves, dates from 1976 while his match for the world chess championship in 1960 is the subject of a separate volume Tal-Botvinnik (£4.50).

A number of international grandmasters including Petrosian, Hort, Gligoric and Keres contribute to How To Open A Chess Game (£4.95), a comprehensive compilation from past and present, a work which is complemented by Larry Evans's The Chess Opening For You (£4.50).

A.C.

FICTION

Dilemma of a double likeness

BY ISABEL QUIGLY

Problems and Other Stories
by John Updike. André Deutsch. £5.95. 260 pages

Amanda/Miranda
by Richard Peck. Gollancz. £5.95. 459 pages

A Quiet Drink
by Deborah Moggach. Collins. £5.95. 220 pages

A Sunday Kind of Woman
by Ray Connolly. Collins. £5.95. 195 pages

One of the stories in *Problems* is called "Domestic Life in America," and the title would do for most of them. Another is called "Separating," and that again is a frequent theme, because John Updike's fictional domestic life, though intensely loving, is nearly always cracked and flawed, on the point of disintegration; in other words, of divorce and division of the spoils. A few of the stories are jeux d'esprit—the minutes of a committee meeting for some reason we never discover; exam questions applied to affective life—but as a rule they are ribbons of mainstream narrative, without a quick knot at the end, about plain everyday doings: staying in a motel, travelling by car, holidaying; or about everyday doings in special situations, times of disintegration and divorce.

Updike is so good a writer that it doesn't matter what he writes about; and yet I have to confess that, of his short stories, at any rate, those I like best, find most surprising and satisfying, are the domestic ones. Of course they tell us plenty about middling American life but that isn't the main point. The writing enlarges and enriches understanding not just of America but of humanity; and of language. Like Nabokov's—no, not like Nabokov's, but sometimes almost to the extent of Nabokov's—his language enlarges and enriches the apparent scope of language, does unexpected and exhilarating things with what seems like ease, and makes the act of writing itself, no matter what the glum subject, divorce or disintegration or whatever it may be into a thing of joy.

Richard Peck is an Anglo-American children's writer who now comes up with his first adult novel, *Amanda/Miranda*, which, though it doesn't quite justify its theme in performance, is still a very readable and above all a promising first try.

The story is based on visual coincidence. Two girls on the Isle of Wight in 1912 are almost doubles. Amanda is mistress, Mary, whom she renames Miranda, her maid. Amanda loves the servant she makes Miranda marry. Miranda loves the rich American who is courting Amanda. Amanda's brother, believed by his family to have been killed in the Boer War, has a homosexual relationship with the servant and lurks in the mews behind Charles Street, where Amanda lives when she's in London. In this upstairs-downstairs story we are shown the same world from such different angles that it scarcely seems the same one: the spoiled rich girl; the girl brought up for nothing but servitude; the tenants and local shopkeepers; the hierarchy of the servants' hall. Through sexual attractions, the borders are crossed. When the two girls sail for America and a grand Anglo-American wedding, Amanda is expecting the servant's child. And the ship they sail on is the Titanic.

The story is told in three ways—as third-person narrative; by Amanda in her diary; and by Miranda writing in the first-person. When they swap roles (I won't say how) the story becomes more than ever one of identity and the determination of people to see what they want, face only what they can stand. "They saw, as people will, what they expected to see," Miranda says, and this is the theme of a story that is perhaps preposterous on a realistic level but manages a certain depth of odd perceptiveness at its other levels.

Realistically it doesn't quite work, the tone of the various narratives isn't quite right; socially and historically, there are, I think, anachronisms in the dialogue and certainly, in the English parts, Americanisms. But it promises well, it seems to hold open doors for the future, to suggest things that may develop and improve, realms of (still latent) understanding and power.

No such latent power in *A Quiet Drink*, a depressingly unenterprising piece of social observation about people in London today, the amorous criss-crossings in a group of successful career girl, homosexual lodger, inadequate husband, sharp advertising man, neglected wife. These people and their situations are quite credible, visible and imaginable but nothing, nothing they say or do seems to matter. The line between gentle irony and deadly dullness is thin, and while aiming for the first it's all too easy to slip across to the second. With the artistic force of a dripping tap, the whole thing is a quiet drink indeed: realism-and-water.

A Sunday Kind of Woman isn't even realistic, though I think it tries to be. It is a thriller about a lovely prostitute who, meeting a nice innocent on holiday who doesn't guess what she is, falls in love. But her past pursues them, violence of all nasty kinds, and they end jumping into the Thames together out of a high window, like Butch Cassidy and Sundance, a brave move quickly followed by a happy ending: slick and negligible.

هكذا من الأصل

PAINTINGS

Demand for fine paintings is strong and dealers report brisk business, but further down the scale the market is weaker. Although there is a revival of interest in Victorian pictures, contemporary British artists are undervalued.

Market comes into its own

BY ANTONY THORNCROFT

IN TIMES of economic uncertainty, art comes into its own. Compared with fickle currencies, erratic stock markets and unstable commodities the demand for works of art of the finest quality continues strong and prices offer some hedge against inflation. It would be short-sighted to buy paintings for their investment potential, but no one in the antiques trade can ignore the economic as well as the aesthetic element in art.

At the moment the market for paintings is in quite good shape. The dealers are happy that London is gaining an internationally important fair in September when the 50-year-old Grosvenor Antiques Fair merges with the much younger Burlington Fine Art Fair in the attractive environment of the Royal Academy. The arts establishment is happy that in Mr. Norman St John Stevas it has a Minister for the Arts keen to mark up achievements.

The National Heritage Fund is now in operation and with £12m plus at its disposal should ensure that some paintings of national importance, as well as other works of art, stay in the country and are put on public view. The hidden Turners are going on display in a Tate extension. An announcement on Somerset House is planned for the autumn and the Arts Council got a useful rise in income to £70m for 1980-81.

On the commercial side, trade is quite brisk. Sotheby's and Christie's dominate the world auction in pictures and have taken much business away from dealers but dealers cannot now survive without the salerooms; in the really big auctions they buy most of the lots. They also use the auction houses to get rid of pictures they cannot dispose of to customers. However, dealers do have an expertise in some specialist areas not always shared with the salerooms. They can offer buyers credit or agree to take back a picture if the buyer decides he does not like it; they offer a more personal service. Many of the most expensive paintings are still sold privately to avoid the glare of publicity which comes with the salerooms.

This might change though following the very successful auctions organised by Sotheby

Parke Bernet and Christie's in New York last week. Some of the finest Impressionist paintings yet to appear on the market were sold for exceptional prices—$5.2m for a Van Gogh; $3m for a Picasso, and auction records for Cezanne, Gauguin, Degas, Modigliani and Bondin. The sales were the most successful for many years and showed both the international demand for the very best paintings — Japanese, Argentinians, Greeks and Americans were among the buyers—and the fact that they could be sold in public even though in many cases the identity of the buyers was kept secret and dealers did the actual bidding.

Later in the week, contemporary American artists like Pollock, Newman, and Louis also made auction records. When taken alongside recent records in London for Victorian artists, such as Burne-Jones, Alma-Tadema, Leighton and Bonington and the £1.7m Sotheby's obtained in April for part of a triptych by the 15th century Flemish artist Bouts, a detail from which is reproduced below, it is apparent that, at the top end, demand is very strong. Of course inflation makes most of the records claimed a nonsense. Even so, whenever anything of real quality comes on the market it is very likely to find a buyer, especially if it is of academic interest, since museums, especially American ones, do not seem to be affected yet by recession.

Potential buyers know that with more and more paintings disappearing into museums, and with owners of collections reluctant to sell during a period of rapid inflation, anything of quality should be fought for.

At the highest level, London acts as an entrepot, taking in pictures for sale to overseas purchasers. The British have never been enthusiastic patrons of art. This is changing, perhaps, at the lower levels, where these days it can be cheaper to buy a painting than a print. Dealers are not really interested in pictures below £500 and with thousands each month coming under the hammer in the salerooms, to say nothing of dealers scouring the country for bargains, there are good opportunities for the private collector with little money but some knowledge. Watercolours are experiencing a sustained boom, but given the expertise and modest charges of picture restorers, oils could perhaps prove the better investment.

In the middle range, business is not so brisk. More and more paintings are bought because someone likes them: unattractive works by celebrated artists are out of favour and the swing of the pendulum has moved against 19th century Continental paintings which five years ago realised high prices.

More interest is being shown in 17th century Italian works; in the neo-classical French school; in British 19th century art. Here there might be bargains, with subject matter more important than the condition of the painting. Good Old Masters are now quite beyond the reach of the ordinary collector; Impressionists are enjoying a return to the price levels of around 1970 and contemporary artists are still actively collected. There may be prejudice against 18th century portraits but in the main, anything of obvious quality, of immediate popular appeal, is worth buying.

Sweethearts and Wives by the Liverpool artist John J. Lee, monogrammed and dated 1860. The painting is of sailors coming ashore at Liverpool. The sailor on the right is a self portrait of the artist. The picture, on view at Roy Miles's gallery in Duke Street, London, is expected to fetch about £30,000.

English pictures underpriced

BY WILLIAM PACKER

THE MARKET in current painting is as difficult to monitor and predict as ever, for a variety of complex and inter-acting reasons. London remains an important international bazaar, but one that can hardly rely on domestic support.

Modern paintings, however good, seem in the general view to be dreadfully expensive. Yet when we take into account the international standing of the best of our artists, and the sheer quality of their work, prices are generally well below those of their American and Continental rivals. The result is that the work is either sold abroad or sustained hereby the handful of major public institutions and collections. The corporate sector, with a few exceptions, does next to nothing to support the fine arts.

The corollary of this is that, though London remains an important critical centre, where foreign artists are keen to show their work, the best foreign paintings are under-cut by the English, and English work shown abroad too easily assumed to be less good than it is by virtue of its price.

The cheapness of even the best English work should be emphasised. Artists such as Derrick Greaves, who was our representative at the Venice Biennale 25 years ago, Anthony Eyton, Norman Stevens and John Loker, all with well established professional reputations, find it hard to get much more than £2-3,000 for major works, which in today's financial climate makes it uneconomic to produce them. An artist such as David Tindle is thought to be doing extremely well now that his work can command £5,000.

These painters are all well into their middle age and career, and all of them happen to be figurative painters. Too much should not be read into this for their abstract contemporaries: Paul Huxley, John Edwards and Alan Green, for example, are in the same position.

It is true that some artists are living off their work. Not all command the astronomical prices that such artists as R. B. Kitaj, David Hockney, Francis Bacon, Lucian Freud and Peter Blake enjoy; but Bridget Riley, John Walker, John Hoyland and Howard Hodgkin, for the abstract side, Allen Jones, Euan Uglow and Michael Andrews for the figurative, must all be over, or at least nudging, the five figure mark.

Much is heard of the revival of figurative painting, but it is a misleading myth: for the good abstract painting continues alongside the good figurative or representational as it has for the last 30 years.

Despite the sceptical public painting of all kinds is thriving in this country. In a time when the avant-garde race has slackened, and artists and public alike can catch the breath and take stock, quality becomes once more the major consideration, innovation and experiment less so. We have better artists than we suppose, better certainly than we deserve by the support we give them.

Victorian art stages revival

BY ANTONY THORNCROFT

THE SECTOR of the art market which has enjoyed a great revival in recent years, a revival which is still proceeding apace, is Victorian paintings. A few brave souls started to champion Victorian art 20 years ago but it is only in the last 10 that a bandwagon has really rolled. At first it was the Pre-Raphaelites that returned to favour: now virtually all the great names of 19th century art, and some of the lesser ones, are much sought after.

As the supply of early Pre-Raphaelites has dried up attention has moved to their later works, and to the masters of High Victorian art, Lord Leighton, Watts and Albert Moore. Finally artists like Landseer are being taken seriously again and with the Tate organising an exhibition of his work in 1981 he might finally start to sell for somewhere near the colossal prices he commanded in his own time.

There are still weak areas—Victorian landscapes are only slowly appreciating, and the middle rank decorative pictures, sought after a year or so back mainly for furnishing, have taken a knock now that the property market has calmed down at the millionaire level. But for really good pictures the demand is very strong. This is mainly because the best examples of Victorian art were acquired by the self-made men of the late 19th century who later bequeathed their collections to local art galleries. Manchester, Leeds and Glasgow, to say nothing of the Lady Lever gallery in Port Sunlight, are rich with treasures. When the masterpieces do appear, the American museums, keen to plug their gaps in this area, are likely to be bidding. Yale has just bought a Moore from Christopher Wood, one of the new breed of gallery owners concentrating on Victorian art.

But because they are immediately accessible Victorian paintings also appeal to the rich of our own day. Sotheby's Belgravia recently held its most important auction of Victorian paintings yet and the top price of £145,000 was paid on behalf of a private German collector for a typical classical scene by Alma-Tadema. After years when his work could be bought for £100 or less, Alma-Tadema is now commanding prices equivalent to the levels of his own day. Lord Leighton is in the same situation—a painting by him has just been sold privately for over £100,000.

The next two highest prices at the Sotheby's sale were paid for a pair of paintings by Burne-Jones who has perhaps led the revival of interest in the Victorians. They were bought by the dealer Roy Miles for £130,000 and £100,000 and will be on show next month in a very good exhibition of Victorian art in his Duke Street gallery.

Another excellent exhibition is currently to be seen at Owen Edgar. It contains paintings by John Frederick Lewis, who last summer set the record for a Victorian painting of £220,000 for a typical Arabic scene.

Last November watercolours by Lewis made £45,000 and £75,000 in the same week, showing the demand for Middle Eastern scenes—for re-sale back to the Middle East—and also for Victorian watercolours. Today, watercolours still fetch very high prices but, for the moment, Lewis looks rather over priced.

Sotheby's Belgravia through fixing high estimates has helped to raise the prices of the top Victorian artists. But compared to quite routine Impressionist paintings the pictures are very cheap. When a high price is recorded at auction a flood of works by the same artist are taken down off the walls and sent to salerooms or dealers.

Of course most of the 30,000 or so Victorian paintings passing through the auction houses each year sell for around the £300 mark. This was the most prolific period of British art. But although the majority of Victorian paintings will never be more than decorative, if that, as interest grows research follows and re-evaluations proceed steadily. Even the Tate is buying Victorian art again—it has recently acquired a Leighton—and while the best prices at the moment are paid for the more academic artists, the experimental, such as Watts, are starting to attract attention.

WORLD STOCK MARKETS

Early 7.5 advance on Wall St.

THE DECLINE in interest rates and the decision by the Federal Reserve Board to partially dismantle its March credit restraint programme continued to send stock prices higher on Wall Street yesterday.

By 1 pm the Dow Jones Industrial Average further advanced 7.59 to 850.51, making a rise of 23.63 on the week, while the NYSE All Common Index, at $62.84, rose 65 cents on the day and $1.61 on the week. Gains led declines by about a 10-to-3 majority, while the trading volume expanded 6.58m shares to 33.46m compared with 1 pm yesterday.

Analysts noted the Stock Market responded favourably to the Fed's credit decision because of the expectation the easing will blunt the recession. But, one analyst said there is still some concern the Fed may have eased too soon to deal effectively with inflation.

Investors may grow cautious, however, ahead of the Money Supply figures and the long holiday weekend.

Tektronix opened up $3 to $47—it said Merrill Lynch issued a "buy" recommendation on its stock.

City Investing eased $¼ to $25¼—it has not received any merger proposal other than the $30 a share offer from Tamco Enterprises.

Glamour and Blue Chip, Metals and some interest sensitive issues were higher. Exxon gained $¼ to $63⅛, General Motors $⅜ to $45⅜ and McIntyre Mines $3⅜ to $54⅞.

Citicorp rose $¼ to $21⅞.

Active Dow Chemical improved $1⅛ to $34⅛.

Eastman Kodak rose $¼ to $53⅜, Amax gained $2⅛ to $47⅞, while Bank America firmed $⅛ to $25⅜, as did Allegheny Power to $16⅞.

THE AMERICAN SE Market Value Index moved up another 2.87 to 265.79, making a rise of 7.98 on the week. Trading volume expanded 654,000 shares to 3.08m, compared with 1 pm Thursday. Advances were ahead of declines by 318-to-164.

Sundance Oil climbed $3¼ to $79⅞—it said certain companies expressed interest in possibly acquiring Sundance.

Macks Stores jumped $3⅛ to $12—it agreed in principle to sell about 51 per cent of its stock to a Dutch Corporation.

> Closing prices for North America were not available for this edition.

Canada

Falling North American interest rates pushed markets sharply higher in active trading around noon yesterday, when the Toronto Composite Index climbed 20.5 to 1,944.8 and all sub-indices advanced.

The Metals and Minerals Index moved up 33.1 to 1,825.0, Oil and Gas 37.1 to 4,198.5, Golds 16.6 to 3,010.9, Banks 4.39 to 349.75, Utilities 3.20 to 251.20 and Papers 1.03 to 169.57.

Base Metals were higher, with Falconbridge Nickel rising $7 to $95.

Paris

Share prices were firmer in active trading despite the long weekend closure for Whitsun.

The share overnight rise on Wall Street, the one quarter point cut in French Call Money to 12¼ per cent and the fact that the new trading session has only just started all helped the higher trend.

Banks and Stores were mixed, Rubbers weakened, while the remaining sectors all firmed.

Among Foreign stocks, U.S. were higher, while Exxon and Petrofina also rose on higher Oil prices.

Brussels

Sidro, Ebes, Electrafina, Andre Dumont, Vieille Montagne, Cockerill and Comotra each rose, while Hainaut Sambre, Gevaert and CBR each fell.

In Foreign Stocks, UK, Germans and Dutch were lower, but U.S. and French were higher. Gold Mines were down.

Germany

Leading shares closed up to DM 2 lower, after opening generally firm. The weakness was ascribed to a lack of expected buying orders.

Turnover was fairly low ahead of the long Whitsun weekend.

Lufthansa held unchanged at DM 78 after announcing higher net profits, but Karstadt shed DM 2 to 2,33.5 on lower profits and dividend.

BMW led Motors down DM 1.80 and Mannesmann also led Steels down DM 1.80. In Electricals BBC rose DM 2.

Options prices were maintained as turnover rose from Thursday's year low, with business centring on Hoesch and Conti Gummi six-month Calls and VW three-month Puts.

On the Domestic Bond market there was strong demand for Public Authority issues, with prices rising by up to DM 1 and Bundesbank sales of DM 52.6m after DM 12.6m on Thursday.

Mark Eurobonds were firm.

Tokyo

Tokyo—Share prices closed slightly higher after late profit-taking pared initial gains.

The market initially rose in active trading reflecting the yen appreciation and the overnight surge on Wall Street, but investors became cautious towards the close.

Energy-Related issues led the market, with Arabian Oil rising Y100 to 3,400, Teikoku Oil Y60 to 1,440 and Mitsui Mining Y36 to 816.

But front running Speculatives and Populars closed lower, with Nippon Signal off Y20 to 593, Nippon Wool Y34 to 661 and TDK Electronics Y20 to 2,030.

Australia

Markets closed firm, with major Industrials recovering earlier losses.

BHP rose 15 cents to $A13.50 and CSR 20 cents to $A6.00.

Banks were fractionally lower, with Bank of New South Wales off 2 cents at $A2.80, although CBA firmed 3 cents to $A2.72.

Elsewhere, ACI lost 4 cents to $A2.13, but Coal and Allied put on 15 cents to $A10.55 and Utah 10 cents to $A4.60.

WMC rose 7 cents to $A4.42, Comalco 6 cents to $A5.66, CRA 170 cents to $A4.2, and Peko 10 cents to $A6.80.

Herald and Weekly Times were up 7 cents to $A2.3 Clifton 10 cents to $A1.75 and Castlemain Perkins 4 cents to $A3...

Santos gained 20 cents to $A10.50 in stronger Oils, where Bridge were up 5 cents to $A3.80, and Oil Search 2 cents at 32 cents.

Hong Kong

Market closed mixed on selective demand, with interest centering mainly on "secondary" stocks. A belief local Prime Rates will not be cut today gave a generally cautious tone to the market.

Market leaders were quietly mixed, with Jardine Matheson firming 10 cents to $HK15.00 and Swire Pacific 5 cents to $HK7.25.

Hongkong Hotels fell $HK1 to $HK33 and Green Island Cement 50 cents to $HK4.50, but Hongkong Yaumati firmed 50 cents to $HK34.75.

Johannesburg

Gold shares and Mining Financials closed firmer in fairly active trading in line with the higher international bullion price, although selective coolers fell.

Heavyweight Gold Producers rose by up to R1 and Medium and Lightweight shares by up to 20 cents.

Durban Deep fell R1 to R29.

Coppers and Tins firmed, while Platinums eased.

Industrials were higher.

NEW YORK

CANADA

BELGIUM (continued)

HOLLAND

AUSTRALIA

JAPAN (continued)

DENMARK

FRANCE

ITALY

NORWAY

HONG KONG

SINGAPORE

SOUTH AFRICA

SWEDEN

GERMANY

JAPAN

SWITZERLAND

AUSTRIA

BELGIUM/LUXEMBOURG

BRAZIL

Financial Rand US$0.93 (Discount of 27%)

Indices

NEW YORK —DOW JONES

STANDARD AND POORS

N.Y.S.E. ALL COMMON

MONTREAL

NEW YORK ACTIVE STOCKS

Spain Prices: Page 22

JAPANESE TRADING HOUSES

Depreciation of yen boosts profits

BY RICHARD C. HANSON IN TOKYO

THE BIG Japanese trading houses are showing sharp recoveries in sales and profits for the year ended March 31 mostly as a result of large increases in the price of imported goods, particularly oil, and the depreciated yen.

Mitsubishi, the biggest of the traders, had a sales increase of 36.6 per cent, the first rise in three years, to a record Y12,067bn ($54.11bn). Imports to Japan were up a steep 76.1 per cent in value and accounted for 32.8 per cent of all Mitsubishi's sales for the year. Fuel imports became the largest single material handled by the company, and accounted for 23.3 per cent of sales.

Net profit also reached a record high at Mitsubishi, up 19.8 per cent to Y19.3bn ($86.55m), but the actual ratio of profits to sales slipped because most trading company commissions are based on volume amounts rather than value. The volume of raw material imports in most cases showed little increase.

The growing importance of the trading companies as direct imports of oil was reflected in the sales of other big companies as well. Since the Iranian revolution the trading companies have in fact taken over much of the volume of oil imports which formerly came through the major oil companies.

Mitsui and Co., the second largest trader, boosted its imports of fuel by 149.9 per cent, leading to an overall increase in sales of 34.1 per cent to Y11,208bn. Net profit rose 20.8 per cent to Y13.5bn.

Mitsui has plans to raise about Y100bn in funds this year to carry out a reduction in its borrowing from its main bank, Mitsui Bank. The bank remains far above the new legal limits on lending to one company on its loans to the trading company.

Sumitomo, which ranks fifth among trading houses and is chiefly active in the heavy and chemical industry sector, pushed up earnings by 31 per cent to Y10.06bn compared with Y7.66bn on sales which rose 15 per cent to Y7,600bn against Y6,600bn. The dividend remains unchanged at Y7.

Generally, the trading companies benefited heavily from the unexpectedly strong performance of the economy throughout last year. Industrial production was up about 9 per cent. In the meantime, wholesale prices are estimated to have risen about 12 per cent adding to the value of Japan's large raw material imports.

As an added bonus, an average 14 per cent depreciation (compared with the prior year) in the yen boosted the profitability of exports. Mitsubishi's export business was up 23 per cent while Mitsui exports rose 22 per cent.

Mitsubishi and Mitsui are predicting further increases in gross sales this year, while the prospects of a downturn in the rate of economic growth makes the outlook for profits somewhat less buoyant.

Toyomenka Kaisha, the seventh largest commercial house, based in Osaka, reported a 30.6 per cent increase in gross sales to Y2,790bn. Net profit was up 4.6 per cent to Y1.6bn.

Sharp gain for Ricoh

By Our Tokyo Staff

RICOH, manufacturer of copiers and other business machines, sensitised paper and cameras, continues to report favourable earnings, thanks to strong sales.

Operating profits rose in the year ended March, 1980, by 26.3 per cent to Y21,985m and net profits were Y11,840m, up 52.6 per cent. Per-share profits improved to Y46.74, from Y31.01. Sales were Y224,334m, a gain of 13.6 per cent.

Sales growth is largely attributed to the plain paper copier division, which accounts for 63.5 per cent of total sales, an increase of 11.4 per cent.

Elsewhere, facsimile turnover rose by a fifth to represent almost a tenth of total sales, while the camera division lifted its contribution to a little under 5 per cent after sharp growth in demand.

Japanese fibre groups prosper

BY YOKO SHIBATA IN TOKYO

TORAY INDUSTRIES, Japan's leading manufacturer of synthetic fibres, has reported unexpectedly high earnings for the year to March 30.

Profitability of the group's exports rose because of the depreciation of the yen in the period and it was also able to pass on increased raw material costs through selling prices because of a market recovery.

Toray's operating profits jumped to Y32.03bn ($143m) up 65.6 per cent and net profits to Y3.91bn, up 64.8 per cent over the previous fiscal year. Per share profits improved to Y12.42, from Y7.71 a year earlier. The company increased the interim dividend to Y3 from Y2.50, to lift the dividend total for the year to Y5.50.

Sales reached Y430.9bn ($2.15bn) up 19.1 per cent over the previous year. The upsurge in sales was mainly attributed to higher selling prices in the domestic market and the concentration on sales of high added value products and non-textile products.

During the past year, a 50 per cent rise in raw material and fuel costs resulting from the crude oil price hike was largely covered by the higher selling prices and rationalisation efforts. Exchange gains amounting to Y6bn from the yen's depreciation, helped improvement of earnings.

For the current year, the full impact of higher raw material and fuel costs is expected to hit the textile maker and there cost rises are unlikely to be passed on to selling prices without resistance.

Mitsubishi Rayon reported a net profit of Y5.9bn, compared with the previous year's net loss of Y1.1bn. Operating profits surged by 70.4 per cent to Y5.53bn, on sales of Y169.05bn, up 15.3 per cent over the previous year. Per-share profits were Y18.05bn, from the previous year's loss of Y3.23bn.

The company resumed dividend payment at Y3.00 per annum. The earnings recovery was largely attributed to the firm market price of acrylic fibre "Vonnel" (sales up 10 per cent) and strong sales of resins (up 32 per cent).

Asahi Chemical Industry lifted profits ahead by 66 per cent to Y11.81bn for the year to March last, and forecasts a further rise to Y14bn for the current year. The dividend, which was held at Y5 for 1979-80, is expected to rise to Y6 this year.

Toshiba advances 112%

BY OUR TOKYO CORRESPONDENT

TOSHIBA CORPORATION, the second largest general electric machinery maker in Japan, achieved a record net profit for the March 31 year, up 112 per cent to Y41.04bn ($183.3m) as efforts over the past four years to rationalise its operations paid off handsomely.

Sales for the Toshiba parent gained 15 per cent to Y1,428bn ($6.38bn) with strong growth recorded in home electronic goods (up 28 per cent) and telecommunications equipment (up 23 per cent). Sales in the heavy electrical sector were flat as sales of nuclear power equipment to the big power companies proved sluggish. Exports, however, taking 19 per cent of sales, were up by 32 per cent, helped by the decline of the Yen.

The profit performance was even better than earlier expected, with a particular benefit from a Y11bn foreign exchange gain resulting from the depreciation of the Yen.

Sales this year are expected to increase about 6 per cent to Y1,510bn and net profit is forecast to at least maintain the level of the year just ended.

Honda and Toyota report strong rises

By Our Financial Staff

HONDA MOTOR Company almost doubled its consolidated net income in the year to February. The group, which is developing a car with BL of the UK, has reported a profit of Y27.76bn ($124m), or 97 per cent more than the Y14.09bn of 1978-79.

A strong gain in earnings is also reported by Toyota Motor Sales Company, the marketing arm of Japan's largest motor group, with a gain of 50.4 per cent to Y34.31bn ($153m) for the year to March 31.

The results come against the background of the downturn in the value of the Yen in the foreign exchanges in the respective years, a decline lately reversed.

Honda attributes is record results mainly to increased overseas sales, the depreciation in the Yen against the dollar and higher profit margins on sales abroad. The group's overall sales increased by 27.2 per cent to Y1,310bn ($5.9bn), from Y1,030bn. Sales overseas were up 39 per cent to Y921.25bn, to account for 70 per cent of the total. Some 2.66m motor cycles were sold by Honda during the year, or 8 per cent more than the previous year, while car sales increased 9 per cent to 814,000 units.

Honda expects a further improvement in its consolidated performance this year.

Toyota Motor Sales raised its turnover last year by 18.9 per cent to Y3,340bn ($14.9bn), and has increased its dividend to Y11 a share, including a payment of Y2 to commemorate its 30th anniversary, against last year's Y9.

For the current year, however, it expects after-tax profit to fall about 10 per cent to Y31bn, though it looks for a 5 per cent rise in sales to Y3,600bn. An exchange profit of Y13bn was a major factor in last year's record earnings, but it expects not to benefit from exchange profits this year, in view of the yen's rise against the dollar.

It sold 3.13m vehicles including exports of 1.5m, compared with 2.84m (1.2m exports). Sales this year will, it is hoped, reach 3.22m vehicles (1.54m exports).

Dutch stores group makes U.S. move with bid for Macks

BY CHARLES BATCHELOR IN AMSTERDAM

KONINKLIJKE Bijenkorf Beheer, the Dutch stores group, is making a concerted move into North American retailing with a bid for Macks Stores of North Carolina.

KBB is to pay Fl 15m ($7.5m) for 51 per cent of Macks Stores with an offer of $14.5 a share. Over the next few months the Dutch group hopes to purchase the remainder of Mack's capital, bring the total acquisition cost up to around Fl 30m.

Macks is a retail group with 100 shores in the Carolinas, Georgia and Virginia. Total annual sales are more than $60m and the group has a workforce of 1,700.

The retailing formula and range of goods offered by Macks complement KBB's chain of Hema stores in the Netherlands. The Hema chain consists of 163 stores, 91 of which are operated by franchise holders, offering a relatively limited range of keenly priced goods.

KBB is the last of the major Dutch retailing groups to establish substantial operations outside the Netherlands. It has been looking at potential foreign partners for the past year or so and has expressed a preference for companies in the U.S. or West Germany.

Net profit at KBB rose 17 per cent to Fl 28.6m ($14.3m) in the year ended January on sales which were 11 per cent higher at Fl 2.49bn ($1.25bn).

Other Dutch retailers have been noticeably acquisitive in the U.S. The privately owned Vroom and Dreesmann group has acquired holdings in four companies, the most recent being 15 per cent share of Cole National of Ohio. Ahold, the supermarket chain, acquired Bi-Lo, which is active in the south-eastern states of the U.S.

● Papermaker and trading group Buehrmann-Tetterode reports first quarter 1980 sales up 20 per cent with net earnings showing a corresponding improvement. Regarding the whole of this year the company said it expects net profits to rise above the 1979 level of Fl 41.3m.

SGI reduces loss by half

By Rupert Cornwell in Rome

ITALY'S LARGEST private property and construction concern Societa Generale Immobiliare (SGI), reports a net loss of L1,35bn ($1.6m) for last year, less than half the 1978 deficit of L2.98bn. The reduced loss represented another step towards full respectability for the group, which was heavily involved with Sig. Michele Sindona, the financier recently found guilty of fraud charges.

However gross turnover, including revenue from the sales of land or property, and income from building activities rose to L235bn in 1979, while work in hand and orders acquired during the first few months of this year stood at L232bn.

CGE sales target

Yesterday's report on the 1980 sales target for Compagnie Generale d'Electricite mistakenly carried the initials GEC in the headline in some editions.

$1.1bn bid rejected by City investing

By Our Financial Staff

THE DIRECTORS of City Investing Company have decided to reject the $1.1bn takeover offer from Tamco Enterprises, a company owned by Mr. Lyman C. Hamilton, the former chief executive of International Telephone and Telegraph.

Mr. G. T. Scharffen berger, chairman of the diversified insurance and industrial group, said the rejection of the $30 a share offer had been unanimous.

Earlier, at City Investing's annual meeting, Mr. Scharffenberger said the company had received no offers other than Tamco's. He also said that City Investing would be hurt by the decline in the housing industry and that he expected operating income to drop by between 5 per cent and 10 per cent this year to around $345m. A 10 per cent rise had previously been forecast.

Sharon Steel, controlled by Mr. Victor Posner and which owns roughly 12 per cent of City Investing, has yet to voice its opinion of the bid, but has said it supports the management and board of City

COMMODITIES/REVIEW OF THE WEEK

World sugar market rallies to new peak

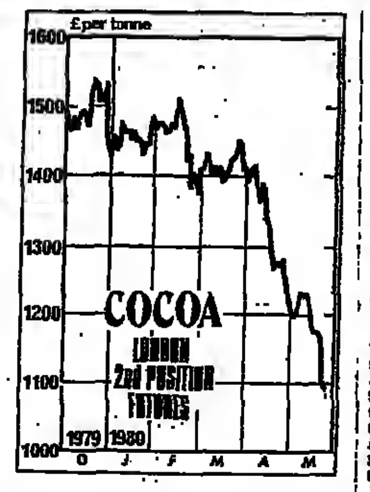
BY OUR COMMODITIES STAFF

WORLD SUGAR values climbed to a new 5½-year peak yesterday as speculators resumed the buying surge which had been interrupted earlier in the week. Suspicions that the recent rise, based on expectations of a substantial production shortfall this year, had pushed prices too high too soon had resulted in a period of uncertainty during which the August position on the London futures market was trimmed to £341.45 a tonne. But yesterday the price gained £16 to end £20 higher on the week at £377.75 a tonne, after reaching £385 at one stage.

Encouraging the rise was news that Thailand had suspended exports because of its drought-reduced crop and that dry whether had caused sharp reductions in the Indian and South African crops. Rumours of Mexican buying also influenced the market, though these were denied by Mexican officials.

The earlier decline had been seen as a technical reaction following the dramatic climb of recent weeks. Dealers remained convinced that the long-term outlook was "bullish" but were less sure about the short-term trend.

The long decline in cocoa prices continued uninterrupted, meanwhile. The July London futures position fell £14.50 to £1,082 a tonne yesterday taking the fall on the wek to £92.50 and has now fallen £ since the end of last month.



Earlier the cocoa market had shown signs of staging a technical rally but with a substantial production surplus expected for the third successive year and consumption remaining stagnant the "bearish" trend seems well established.

Cocoa producers met in Salvador, Brazil, this wek to discuss methods of stabilising prices now that the International Cocoa Agrement has collapsed. Brazil and the Ivory Coast are reported to have agreed to a proposal for a price support fund but the lack of a clear statement of intent following the meeting has tended to confirm that major dissension remains between the producers.

Natural rubber also continued very depressed and the RSS No. 1 spot position on the London physical market ended the week 3p down at a 17-month low of 56p a kilo. With deepening recession threatening the motor industry's prospects and therefore hitting tyre sales many dealers have forecast further substantial falls before the market bottoms out. In addition high interest rates are encouraging tyre manufactures to run down their stocks contributing to an estimated 50 per cent reduction in natural rubber usage compared with last year's level.

Silver prices dropped to the lowest level for nine months with the London bullion spot quotation falling to 467.80p a troy ounce on Thursday before rallying to 487.10p yesterday, still 72.60p down on the week.

The market was unsettled by a statement by Paul Volcker, chairman of the U.S. Federal Reserve Board, that the $1bn loan being arranged to help the Hunt brothers meet their outstanding silver commitments had not yet been completed. This reminded the market that there are still large amounts of silver to be sold in the months ahead.

Other metal markets continued to be depressed by fears of a recession and quiet consumer demand. Copper ended the week marginally higher, however, following rises in U.S. producer prices and forecasts of a fall in LME warehouse stocks.

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1980 High	1980 Low
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

(g) Madagascar. (x) Aug./Sept. (y) June/July. (v) July. (t) June. (w) May/June.

MARKET REPORTS

BASE METALS

COPPER—Barley changed in morning only trading on the London Metal Exchange. Forecasts of a decline in warehouse stocks helped to keep the market on an even keel with forward metal trading in a narrow range before ending the kerb at £911. Turnover: 9,600 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	888-9	+10.5		+6.5
3 months	019.5-5	+7	—	-3
Settlem't	889	+10.5	—	......
Cathodes		......		
Cash			—	+1
3 months	865-4	+7	—	......
Settlem't	887-8	+3	—	......
U.S. Prod	864	+7	*90-96.25	......

Amalgamated Metal Trading reported that in morning only trading cash wirebars traded at £888, 89, three months £912, 13, 12, 12.0, 12, 12.5, 13, 12.5. Cathodes, cash £868, 64, three months £890, 89, 88. Kerb: Wirebars, three months £912.5, 12, 11, 10, 9, 10, 11

TIN—Fell away following a heavy fall on the Penang market. The sharp decline in Penang saw forward metal marked down to £7,300 on the pre-market, in the wake of further nervous selling. A minor rally developed in the first ring when the price edged up to £7,330, but this proved short-lived as hedge selling depressed the price to £7,280. However, in late business good physical demand encouraged a recovery to £7,300 at the close of trading. Turnover: 775 tonnes

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7300-30	—100	—	—95
3 months	7315-25	......	—	—90
Settlem't	7330	—98	—	......
Standard				
Cash	7290-300	—97.5	—	—87.5
3 months	7290-5	—95	—	—85
Settlem't	7300	—100	—	......
Straits.E.	:82174	—58		......
NewYork	—	......		......

Morning: Standard, cash £7,340, three months £7,330, 25, 30, 40, 30, 20, 10, 7,290, 7,300, 7,290. Kerb: Standard, cash £7,260, three months £7,300, 7,280.

LEAD—Held steady in quiet trading. Forward metal drifted from £336 to £334 on the pre-market but rallied in the rings, reflecting persistent demand for cash material, and closed the kerb at £335.5. Turnover: 7,400 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	329-30	+5	—	+1
3 months	336-7	—8	—	+1
S'ment	330	+3	—	......
U.S. Spot.	—	......	*36-40	......

Morning: Cash £329, 31, 30, three months £334, 35.5, 36, 37. Kerb: Three months £336, 35, 36.

ZINC—Little changed in quiet trading with forward metal holding steady throughout the session and closing the kerb at £319. Stocks are expected to show a further increase over the past week. Turnover: 6,225 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Cash	308.5-9.5	+5.5	—	+1.5
3 months	318-.5	+4.5	318-9	......
S'mont	309.0	+6.5	—	—.25
Primw'ts	—	......	*57.5	......

Morning: Three months £318, 19, 18.5, 15, 18.5. Kerb: Three months £310.

ALUMINIUM—Lower. Forward metal dipped to £734 on the pre-market, reflecting lack of interest, but subsequently picked up following some physical interest to close the kerb at £739. Turnover: 5,200 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Spot	736-7	+1	743-5	—7.5
3 months	755.5-6.5	+.25	743-4	—7.0

Morning: Cash £735, three months £737, 38, 35.5, 35, 34, 39, 38, early June £738. Kerb: Three months £735, 37, 38.

NICKEL—Marginally easier after a session of routine trading which left forward metal at £2,695 on the kerb. Stocks are expected to show a small decline over the past week. Turnover: 300 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unofficl	+ or —
Spot	2580-5	—40	2580-600	—12.5
3 months	2680-5	—38	2695-700	—15

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

Morning: Three months £2,685. Kerb: Three months £2,690.

SILVER

Silver was fixed 19.3p an ounce higher for spot delivery in the London bullion market yesterday at £4.871. U.S. cent equivalents of the fixing levels were: spot $11,374, up 48.4c; three-month $11.582, up 46.3c; six-month $11.848, up 38c; and 12-month $12.403, up 43.9c. The metal opened at £4.90-5.10 ($11½-11.9) and closed at £5-5.2 ($11¼-12.5).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	487.10p	+19.3	479.0p	+10.5
3 months	504.60p	+19.3	494.0p	+6.9
6 months	524.60p	+17.3	—	......
12 months	556.80p	+20.4	—	......

LME—Turnover 133 (151) lots of 10,000 ounces. Morning: cash; 483; three months 502, 5, 3, 2, 500, 499, 500, 498, 95. Kerb: three months 495, 97. Afternoon: market closed.

COCOA

At the close of an active week of trading, cocoa futures this evening made new contract lows before a slight rally aided a £10 recovery from these levels. Producers having participated in the physical market during mid-week, were today withdrawn although modest interest from consumers' continued, reports Gill and Duffus.

COCOA	Yesterd'ys Close	+ or —	Business Done
May	1007-74	—15.5	1078-75
July	1080-84	—14.5	1110-1071
Sep	1109-93	—15.5	1110-1085
Dec	1143-47	—11.6	1185-34
March	1181-82	—9.0	1195-73
May	1208-20	—3.0	1210-01
July	1935-48	+1.5	—

Sales: 3,737 (3,238) lots of 10 tonnes.

COFFEE

After an unchanged opening robustas weakened under commission house selling, but scattered buying absorbed the early pressure with marginal losses, reports Drexel Burnham Lambert. In the afternoon the market continued easier with currency strength and a forecast of milder weather in Brazil prompting heavy bouts of profit-taking and some jobber book squaring operations.

COFFEE	yesterday's Close	+ or —	Business Done
	£ per tonne		
May	1670-78	—14.5	1690-80
July	1795-28	—80.5	1750-25
Sept	1778-80	—25.0	1807-1778
Nov	1796-66	—22.0	1825-1792
January	1785-804	—32.0	1829-18
March	1760-70	—20.0	1790-70
May	1760-60	......	1770-65

Sales: 3,725 (3,919) lots of 5 tonnes.

ICS Indicator prices for May 22 (U.S. cents per pound): Other Mild Arabicas 182.67 (181.67); Robustas ICA 1976 177.00 (176.25); ICA 1968 177.25 (176.50). Unwashed Arabicas 218.00 (same). Comp. daily ICA 1968 196.70 (197.00).

GRAINS

LONDON GRAIN FUTURES—The market opened 10-15p higher, in very quiet trading. Options remained about steady to close 15-25p higher on wheat and 20-35p higher on barley, reports Acli.

	WHEAT		BARLEY	
M'nth	Yesterday close	+ or —	Yesterday close	+ or —
May	—	......	—	......
Sept.	94.40	+0.28	92.05	+0.20
Nov.	98.15	+0.15	96.05	+0.30
Jan.	102.00	+0.20	99.85	+0.20
Mar.	105.50	+0.25	103.25	+0.35

HGCA—Locational ex-farm spot prices. Other Milling Wheat E. Midlands 101.00. Feed Wheat E. Midlands 96.50, N. East 99.60, Scotland 104.10. Feed Barley Eastern 92.20, E. Midlands 91.00, N. East 93.70.

RUBBER

The London physical market opened easier, with little interest at lower levels, closing steady. Lewis and Peat reported a Malaysian godown price of 280 (same) cents kg (buyer, June).

No. 1 R.S.S.	Yest'rdays Close	Previous Close	Business Done
June	58.10-58.70	58.00-58.80	57.80-58.00
July	57.50-57.90	57.68-57.80	57.80
Jly.-Sept	58.20-58.50	58.70-58.90	59.30-58.00
Oct-Dec	62.80-63.00	62.50-62.40	63.10-61.70
Jan-Mar	65.80-65.90	65.10-65.20	66.00-64.80
Apr-Jne	68.40-68.50	67.80-68.00	—
Jly.-Sept	71.20-71.40	70.50-70.60	—
Oct-Dec	75.70-74.50	73.20-73.30	—
Jan-Mar	75.80-78.10	75.80-75.90	—

Sales 223 (520) at 15 tonnes, 122 (11) at 5 tonnes.

Physical closing prices (buyer) were: Spot 59.00p (same); July 60.75p (same); August 61.75 (—).

SOYABEAN MEAL

The London Market opened at unchanged but with continued pressure drifted, reports T. G. Roddick. Late in session a firm £6 put additional hedge selling pressure into market and prices closed with losses of up to £1.00.

	Yest'rday Close	+ or —	Business Done
	£ per tonne		
June	101.30-01.5	—0.30	102.00-01.10
August	104.60-04.8	—0.25	105.10-04.80
October	102.60-02.7	—0.95	103.70-02.30
December	108.50-06.8	—0.40	107.10-06.50
February	108.10-09.7	—0.50	113.00
April	111.06-72.5	—0.25	—
June	112.56-15.0	—	—

Sales: 132 (61) lots of 100 tonnes.

SUGAR

Buy-at-best orders and commission house stop-loss liquidation lifted prices £10 above kerb levels at the opening, and by the end of the morning August had touched £385, with other months bid limit up new life of contract highs across the board. Later, however, profit-taking developed which pared the gains back some £5-£7 by the close.

Sugar Pref. Comm. Con.	Yest'rdays Close	Previous Close	Business Done
	£ per tonne		
May	360.00-65.00	340.00-43.00	380.50-58.50
Aug	377.50-78.00	361.50-62.00	385.00-51.00
Oct	380.00-80.25	368.00-69.25	388.05-67.50

LONDON DAILY PRICE (raw sugar): £350.00 (£326.00) a tonne cif for May-June-July shipment. White sugar daily price was £350.00 (£320.00).

NUMBER 4 CONTRACT—Close (in order buyer, seller only). Aug. 374.00, 374.75; Oct. 381.50, 382.00; Jan. 383.00, 387.00; March 386.50, 387.00; May 384.00, 384.50; Aug. 380.00, 386.00; Oct. 379.00, 385.00. Sales 2,956 (1,391).

Tate and Lyle ex-refinery price for granulated basis white sugar was £324.7 (same) a tonne for home trade and £490.50 (£421.00) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for May 22. Daily price 32.17 (30.96); 15-day average 30.24 (29.69).

Sales: 14,192 (11,868) lots of 50 tonnes.

COTTON

LIVERPOOL—Spot and shipment sales in Liverpool amounted to 346 tonnes, bringing the total for the week to 897 tonnes against 523 tonnes in the previous week. Improved demand covered a wide range; qualities and spinners were in a more anticipatory mood. Many of the grades wanted were among Middle Eastern and South American growths.

WOOL FUTURES

SYDNEY GREASY WOOL—Close: (in order buyer, seller, business, sales).

AMERICAN MARKETS

NEW YORK, May 23.

LIGHT COMMISSION House profit-taking pressured gold while silver prices firmed on commission house interest. Copper rose sharply on a cut in the U.S. prime lending rate. Light dealer selling weakened coffee values while dealer and commission house selling in cocoa pressured values. Sugar was limit bid on further setbacks to the Russian beet crop and Thailand's force majeure on sugar shipments. Livestock complex was mixed on steady cash markets. The grain and soyabean complex was mixed with light commission house selling on expectations of rain over the weekend, reported Heinold.

Copper—May 94.70 (90.50), June 94.90 (30.80), July 95.70, Sept. 96.90, Dec. 98.60, Jan. 99.15, March 100.20, May 101.20, July 102.25, Sept. 103.30, Dec. 104.95, Jan. 105.50, March 106.60. Sales 8,125.

*Gold—May 509.7 (514.5), June 510.0 (515.0), July 513.9, Aug. 518.2, Oct. 526.5, Dec. 535.1, Feb. 543.9, April 552.9, June 561.9, Aug. 570.9, Oct. 579.9, Dec. 588.9, Feb. 597.9. Sales: 14,500.

Potatoes (round whites)—Nov. 71.4 (71.0), March 81.8 (80.7), April 90.1. Sales: 207.

*Platinum—May 543.8 (544.3), June 545.5 (548.0), July 550.5, Oct. 558.8, Jan. 569.8, April 581.0, May —, July 593.0. Sales: 1,012.

¶Silver—May 1196.0 (1160.0), June 1198.0 (1163.0), July 1205.0, Sept. 1225.0, Dec. 1255.0, Jan. 1265.5, March 1286.0, May 1306.5, July 1327.0, Sept. 1348.0, Dec. 1379.0, Jan. 1390.0, March 1411.0. Sales: 2,2,000. Handy and Harman bullion spot 1174.00 (1080.00).

Live Cattle—June 65.35 (65.75), Aug. 65.17 (65.25), Oct. 63.57, Dec. 64.65, Jan. 65.50, Feb. 65.67, April 66.20.

Live Hogs—June 32.97 (33.30), July 34.80 (34.82), Aug. 34.47, Oct. 35.42, Dec. 39.02, Feb. 42.15, April 41.65, June 44.40, July 44.45.

‡‡Maize—July 279¼-279½ (279¼), Sept. 290-289¾ (290), Dec. 298¼-298¾, March 310¾-311, May 318¾, July 323¾.

Pork Bellies—July 32.25 (32.60), Aug. 32.17 (32.35), Feb. 46.85, March 46.90, May 47.30, July 48.00, August 47.45.

†Soyabeans—July 631-633 (630¼), Aug. 638½-638 (638½), Sept. 646½-647½, Nov. 660-661, Jan. 674-674½, March 688½-689, May 699½, July 708.

‖Soyabean Meal—July 172.5-172.4 (172.8), Aug. 175.1 (175.4), Sept. 178.0, Oct. 180.5, Dec. 184.2-184.5, Jan 186.2-186.0, March 180.2-130.5, May 193.5, July 196.0-197.0, Aug. —.

Soyabean Oil—July 22.22-22.24 (22.17), Aug 22.45 (22.37), Sept 22.65, Oct. 22.80-22.85, Dec. 23.10-23.13, Jan. 23.20, March 23.45-23.50, May 23.65-23.75, July 24.05, Aug. —.

†Wheat—July 417-410 (420½), Sept. 429-429½ (432¾), Dec. 447½-448, March 462½, May 468½, July 463.

Sugar—No. 11: July 36.58 (34.81), Sept. 34.99 (33.99), Oct. 35.62, Jan. 36.45, Mar. 36.54, May 36.30, July 36.00, Sept. 35.70, Oct. 35.48. Sales: 12,550.

Tin—780.-791.00 nom. (783.00-796.00)

CHICAGO, May 23

Lard—Chicago loose 18.00 (same) New York prime steam unavailable.

Silver—May 1190.0 (1163.0), June 1192.0 (1165.0), Aug. 1210.0, Oct 1231.0, Dec. 1252.0, Feb. 1273.0, April 1294.0, June 1315.0, Aug. 1336.0, Dec. 1378.0, Feb. 1399.0, April 1420.0, Aug. 1462.0, Oct. 1483.0.

WINNIPEG, May 23

§Barley—May 125.20 (123.90), July 125.30-125.40 (123.30), Oct. 123.20, Dec. 123.20, March 123.20.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq. feet. ‡ Cents per dozen.

INDICES

FINANCIAL TIMES

May 23	May 21	M'nth ago	Year ago
270,25	271.30	280.60	281.00

(Base: July 1, 1952=100)

MOODY'S

May 23	May 21	M'nth ago	Year ago
1098.5	1101.2	1126.6	1055.7

(December 31, 1931=100)

DOW JONES

Dow Jones	May 23	May 21	Month ago	Year ago
Spot	431.24	429.28	416.60	391.72
F'tur's	443.43	433.74	428.18	097.45

(Average 1924-25-26=100)

REUTERS

May 23	May 22	M'nth ago	Year ago
1714.0	1703.5	1711.0	1583.3

(Base: September 18, 1931=100)

Australian cents per pound. [illegible]

GRIMSBY FISH—Supply moderate, demand good. [illegible]

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets on May 23. [illegible]

COVENT GARDEN—Prices in sterling per package except where otherwise stated. [illegible]

Stock Exchange dealings

Thursday, May 22	17,449
Wednesday, May 21	17,623
Tuesday, May 20	17,207
Monday, May 19	18,223
Friday, May 16	17,126
Thursday, May 15	18,498

The list below gives the prices at which bargains were done by members of the Stock Exchange and recorded in last Thursday's Stock Exchange Daily Official List. For those securities not marked in Thursday's List, we show the latest markings recorded during the previous five business days. These are distinguished by the dates shown in parentheses.

The number of dealings marked on Thursday in each section follows the name of the section. Unless otherwise denoted, shares are £1 fully paid and stock £100 fully paid.

Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 pm only, but later transactions can be included in the following day's Official List. The figures shown above, on the other hand, are the total number of bargains transacted in all securities up to 3.30 pm. No indication is available as to whether a bargain represents a sale or purchase. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. ● Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Mc—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BRITISH FUNDS (510)

CORPORATIONS (26)

PUBLIC BOARDS (9)

COMMONWEALTH GOVTS. (5)

FOREIGN STOCKS (5)

BANKS (104)

BREWERIES (91)

COMMERCIAL (1,735)

FINANCIAL TRUSTS (47)

GAS (11)

INSURANCE (97)

INVESTMENT TRUSTS (112)

Imported coal would aid industry, says oil chief

BRITISH miners' resistance to coal imports is misguided if understandable, Mr. Archie Forster, chairman of Esso Petroleum, said yesterday, writes Martin Dickson.

"With the long-term future of coal assured, then cheap easily-available imports would help to build up and retain markets for indigenous production to supply in future years," he said in a lecture to the Institute of Energy in Cardiff.

"Industry needs to begin the job of conversion of substantial parts of Britain's energy-using system from oil, and imported coal could make a contribution to building up the necessary consumption mechanism. How to get enough coal into the UK by the year 2000 may be the problem—not how to dispose of it."

Britain needed to change its ideas that coal used in the UK must be restricted to the output of the domestic industry. As part of the changed energy environment there would be a growing international trade in coal at prices competitive with UK coals.

This trade would supplement British production and would not put miners out of work.

Reviewing Britain's energy needs over the next 20 years, Mr. Forster said the most powerful force making for change would be that of the market, and people must have the courage to let it operate.

"The market pricing mechanism tells customers which fuels to use and when to use them, if it is allowed to reflect the true cost of the resources involved.

Howe praise for dockers

LIVERPOOL DOCKERS who accepted a 13 per cent pay increase have been praised for their example by Sir Geoffrey Howe, Chancellor of the Exchequer.

He said wage settlements below that level were still needed. The lower the rates of pay rises the better the chance of reducing the rate of unemployment.

Sir Geoffrey, said during a visit to Liverpool, that while Mrs. Margaret Thatcher, the Prime Minister, had not definitely ruled out a pay freeze, it was not part of present Government policy. It was not the way to long term success and led to dissension, distortion and oppression and, in the end, a pay explosion.

The pattern of pay rises must be brought down, and it was necessary for each group of workers to realise what their employers could afford.

Home safety

BRITAIN'S FIRST home and personal safety exhibition, with exhibits ranging from fire detectors to burglar alarms, will be held at Olympia, London, in September.

Organised by Victor Green Publications, the exhibition is intended to tell householders how to protect themselves from damage by fire, theft and attack.

SPAIN

May 23	Price %	+ or −
Banco Bilbao	208	
Banco Central	227	+3
Banco Exterior	210	+3
Banco Hispano	208	
Banco Ind. Cat.	122	
Banco Madrid	141	
Banco Santander	247	+3
Banco Urquijo	146	
Banco Vizcaya	217	+3
Banco Zaragoza	200	
Dragados	81	
Espanola Zinc	59	−1
Fecsa	60.3	−0.3
Gal. Preciados	25	
Hidrola	65.5	−0.5
Iberduero	61.5	+1
Petroleos	106	+1
Petroliber	60	+1
Sogefisa	107	
Telefonica	54	+0.8
Union Elect.	65.7	−0.3

EUROPEAN OPTIONS EXCHANGE

Series		July Vol.	July Last	Oct. Vol.	Oct. Last	Jan. Vol.	Jan. Last	Stock
ABN C	F.300	—	—	5	8	—	—	F.288
ABN C	F.310	20	1.70	—	—	—	—	
AKZ C	F.25	75	0.60	47	1.30	40	2.10	F.23.80
AKZ C	F.27.50	15	0.20	30	0.70	—	—	"
AKZ P	F.22.50	—	—	—	—	4	1	"
AKZ P	F.25	—	—	5	2	—	—	"
ARB C	F.65	—	—	1	2.50	—	—	F.63
EK C	$45	1	8½	—	—	—	—	$54
EK C	$50	5	4½	—	—	—	—	"
EK C	$60	2	⅜	—	—	—	—	"
HO C	F.17.50	10	0.80	—	—	—	—	F.16.90
IBM C	$60	—	—	1	2⅛	—	—	$54
KLM C	F.60	25	6	2	7.60	—	—	F.65
KLM C	F.70	28	2.20	22	3.80	—	—	"
KLM C	F.80	5	0.40	11	1.40	—	—	"
KLM P	F.90	18	0.20	—	—	—	—	"
KLM P	F.60	31	2.10	43	3.20	—	—	"
KLM P	F.70	67	6.40	30	10.50	—	—	"
NN C	F.100	10	17.80	—	—	—	—	F.118.30
NN C	F.110	—	—	4	10	—	—	"
NN C	F.115	34	4	2	8.60	—	—	"
NN P	F.120	—	—	7	5.20	—	—	"
PHI C	F.17.50	1	0.60	18	1.10	40	1.60	F.17.50
PHI C	20	—	—	60	0.50	—	—	"
PHI P	F.17.50	—	—	6	0.70	—	—	"
PHI P	F.20	—	—	—	—	10	2.90	"
PHI P	F.22.50	—	—	2	4.90	—	—	"
PRO C	$20	—	—	18	5⅛	—	—	$24
PRO C	$25	18	1½	—	—	—	—	"
PRO C	$30	12	⅜	—	—	—	—	"
RO C	F.148	—	—	10	18.70	—	—	F.158
RO C	F.150	59	11	25	12.40	—	—	"
RO C	F.160	100	4.40	42	6.70	—	—	"
RO C	F.170	34	1.10	52	2.90	—	—	"
RO P	F.145	20	1	35	5.60	—	—	"
RO P	F.150	41	2.70	6	5.60	—	—	"
RO P	F.160	37	5.80	15	10.70	—	—	"
UNI C	F.100	10	4.60	—	—	—	—	F.108.40
UNI C	F.110	—	—	5	4.20	—	—	"
UNI C	F.115	—	—	1	5.10	—	—	"
UNI P	F.105	—	—	5	2	—	—	"
XOM C	$60	16	5⅛	—	—	—	—	$64¼
XOM C	$70	12	⅜	—	—	—	—	"
		Aug.		Nov.		Feb.		
BA C	$40	—	—	8	1⅞	—	—	$34⅛
OXY C	$25	—	—	20	2⅝	20	3⅝	$24¾
OXY C	$30	—	—	1	1	—	—	"
SIE C	DM.250.50	19	35.80	—	—	—	—	DM280
SIE C	DM.260.50	10	9	—	—	—	—	"
VW C	DM.170	10	19	—	—	—	—	DM185
VW C	DM.190	10	4	—	—	—	—	"

TOTAL VOLUME IN CONTRACTS 1574

C=Call P=Put

BASE LENDING RATES

A.B.N. Bank	17 %	■ Hambros Bank	17 %
Allied Irish Bank	17 %	■ Hill Samuel	§17 %
American Express Bk.	17 %	C. Hoare & Co.	†17 %
Amro Bank	17 %	Hongkong & Shanghai	17 %
Henry Ansbacher	17 %	Industrial Bk. of Scot.	17½%
A P Bank Ltd.	17 %	Keyser Ullmann	17 %
■ Arbuthnot Latham	17 %	Knowsley & Co. Ltd.	19 %
Associates Cap. Corp.	17 %	Langris Trust Ltd.	17 %
Banco de Bilbao	17 %	Lloyds Bank	17 %
Bank of Credit & Cmce.	17 %	Edward Manson & Co.	18 %
Bank of Cyprus	17 %	Midland Bank	17 %
Bank of N.S.W.	17 %	■ Samuel Montagu	17 %
Banque Belge Ltd.	17 %	■ Morgan Grenfell	17 %
Banque du Rhone et de la Tamise S.A.	17½%	National Westminster	17 %
Barclays Bank	17 %	Norwich General Trust	17 %
Bremar Holdings Ltd.	18 %	P. S. Refson & Co.	17 %
Brit. Bank of Mid. East	17 %	Rossminster	17 %
■ Brown Shipley	17 %	Ryl. Bk Canada (Ldn.)	17 %
Canada Perm't Trust	18 %	Schlesinger Limited	17 %
Cayzer Ltd.	17 %	E. S. Schwab	17 %
Cedar Holdings	17 %	Security Trust Co. Ltd.	18 %
■ Charterhouse Japhet	17 %	Standard Chartered	17 %
Choulartons	17 %	Trade Dev. Bank	17 %
C. E. Coates	17 %	Trustee Savings Bank	17 %
Consolidated Credits	17 %	Twentieth Century Bk.	17 %
Co-operative Bank	*17 %	United Bank of Kuwait	17 %
Corinthian Secs.	17 %	Whiteaway Laidlaw	17½%
The Cyprus Popular Bk.	17 %	Williams & Glyn's	17 %
Duncan Lawrie	17 %	Wintrust Secs. Ltd.	17 %
Eagil Trust	17 %	Yorkshire Bank	17 %
E. T. Trust Limited	17 %		
First Nat. Fin. Corp.	19½%		
First Nat. Secs. Ltd.	19 %		
Robert Fraser	17 %		
■ Antony Gibbs	17 %		
Greyhound Guaranty	17 %		
Grindlays Bank	‡17 %		
■ Guinness Mahon	17 %		

■ Members of the Accepting Houses Committee.

* 7-day deposits 15%, 1-month deposits 15¼%.

† 7-day deposits on sums of £10,000 and under 15%, up to £25,000 15¼% and over £25,000 15½%.

‡ Call deposits over £1,000 15%.

§ Demand deposits 15%.

ACTIVE STOCKS

YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1980 high	1980 low
GEC	25p	9	357	− 8	388	326
GKN	£1	8	236	− 6	279	236
ICI	£1	8	358	− 4	402	353
Marks & Spencer	25p	6	87	—	96	77
Racal Electronics	25p	6	236	− 8	248	175
Unilever	25p	6	418	− 2	480	388
BAT Inds.	25p	5	238	− 2	271	223
BP	25p	5	338	+ 2	412	320
Carlton Inds.	25p	5	270	− 6	292	270
Dunlop	50p	5	72	+ 1	74	51
Premier Cons.	5p	5	86	− 2	98	39½
Bowater	£1	4	166	—	188	141
Courtaulds	25p	4	70	—	79	64
European Ferries	25p	4	130	− 2	142	98
Lonrho	25p	4	78	− 1	110	78

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1980 high	1980 low
LASMO	25p	68	640	+12	665	337
Clyde Pet.	£1	59	555	−33	590	313
ICI	£1	41	358	−22	402	353
Carless Capel	10p	39	130	−16	158	75
Shell Transport	25p	39	378	+ 4	410	314
BP	25p	38	338	—	412	320
GKN	£1	36	236	−28	279	236
Land Securities	50p	35	340	+10	342	244
Unilever	25p	32	418	+12	480	388
GEC	25p	31	357	−13	388	326
RTZ	25p	31	347	−16	486	327
Dunlop	50p	30	72	+ 2	74	51
European Ferries	25p	29	130	− 9	142	98
Premier Cons.	5p	29	86	− 7	98	39½
BAT Inds.	25p	28	238	− 5	271	223

MINES

Australian (5)

Miscellaneous (34)

Rhodesian (6)

South African (32)

West African (1)

Diamond (2)

OIL (221)

Attock Petroleum (20p) 340
British-Borneo Petroleum Synd. (10p) 298 88 (19.5)
British Petroleum (25p) 332● 400 301● 30 6 8 40 34 8c. 8pc1stPf. 59 (16.5). 9pc2ndPf. 58½ (21.5). 6pcDb. 98¼ (21.5)
Burmah Oil 285 4 6 7. 7½pcPf. 47 (21.5). 7½pcUnsec.Ln. 78½● ¾● ¼. 8½pcUnsec.Ln. 83
Century Oils Group (10p) 187●. 3.25pcPf. 46½ (16.5)
Charterhall (5p) 73

UNIT TRUSTS (1)

M. and G. American Gen.Fund Inc. Units 49½. Do. Accum. Units 60¼ (19.5). M. and G. Dividend Fund Inc. Units 128.9 (19.5). M. and G. Recovery Fund Inc. Units 122.3 (18.5)

UK RAILWAYS (4)

Calgary Edmonton 37½ ¼ (20.5)
Canadian Pacific (C$5) £14¼. 7½pcPfd. (C$10) 295p. 4pcDb. 28½
New Brunswick 4pcDb. 27¼ ¾ (20.5)

FOREIGN RAILWAYS (2)

Antofagasta 68● ½●
Black Sea-Koban 4½pcBds. £25 (16.5)

SHIPPING (23)

Brit. and Commonwealth Shipping (50p) 308 1 (30.5)
Caledonia Inv. (25p) 385 (16.5)
Fisher (James) and Sons (25p) 317●
Hunting Gibson (25p) 96 (20.5)
Jacobs (John I.) (20p) 33 (21.5)
London and Overseas Freighters (25p) 32●
Lyle Shipping (25p) 234
Ocean Transport and Trading (15p) 114● ½
Peninsular and Oriental Steam Nav. Dfd. 114 ½ 13½. 5½pcDb. 95½ (20.5)
Reardon Smith Line (50p) 62●. A Non-Vtg. (50p) 88●
Runciman (Walter) (25p) 105½ (16.5)
Stag Line 160●

TEA (2)

Aberfoyle Plantations (8p) 11½ (21.5)
McLeod Russel 4.2pcPf. 36 (16.5)
Warren Plantations Hldgs. (25p) 174

TELEGRAPHS (3)

Great Northern Telegraph Hldg. New Shs. on Br. Certs. (Kr 54) £6●. (Br.) (Kr. 90) £91½●. New Shs. on Br. Certs. (Kr. 90) £90

TRAMWAYS (—)

Anglo-Argentine Trams (5p) 17½ (18.5)

CANALS (3)

WATERWORKS (2)

PROPERTY (62)

RUBBER (13)

RULE 163 (1) (e)

Bargains marked in securities which are quoted or listed on an Overseas Stock Exchange.

MAY 22

MAY 21

MAY 20

MAY 19

MAY 16

RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any Stock Exchange.

MAY 22

MAY 21

MAY 20

MAY 19

MAY 16

RULE 163 (3)

Bargains marked for approved companies engaged solely in mineral exploration.

MAY 22

MAY 21

MAY 20

MAY 19

MAY 16

(By permission of the Stock Exchange Council)

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Knowsley (051 548 6555)	14¼	½-year	1,000	1
Redbridge (01-478 3020)	14¾	½-year	200	2-3
Redbridge (01-478 3020)	14¾	½-year	200	5-6

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	*Term shares %
Abbey National	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Aid to Thrift	10.85	11.37	—	—
Alliance	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Anglia Hastings and Thanet	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Bradford and Bingley	10.25	10.50	11.75	11.25 one month's notice deposit
Bridgwater	10.25	10.50	12.00	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Bristol and West	10.25	10.50	11.75	—
Bristol Economic	10.25	10.50	11.75	10.75 3 months
Britannia	10.25	10.50	11.75	12.50 5 yrs., 11.25 3 months' notice
Burnley	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Cardiff	10.50	11.60	12.50	—
Catholic	10.05	10.75	11.65	— Share a/cs 10.95 over £5,000
Chelsea	10.25	10.50	11.75	12.50 5 yrs., 12.00 3 yrs., 11.55 6 mths.
Cheltenham and Gloucester	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Cheltenham and Gloucester	—	11.50	—	— Premium shares including 1.00 bonus p.a. (£15,000 or £20,000)
Citizens Regency	10.25	10.85	12.05	12.85 5 yrs., 12.35 4 yrs., 11.58 3 yrs.
City of London (The)	10.50	10.80	11.80	12.00 Capital City shares—4 mth. not.
Coventry Economic	10.25	10.50	11.75	12.00 4 yr., 11.50 3 yr., 11.25 3 mth.not.
Coventry Provident	10.25	10.50	12.50	12.55 av. 5 yrs., 12 4 yrs., 11.25 3 m.n.
Derbyshire	10.25	10.50	11.75	11.10 3 months' notice
Ealing and Acton	10.25	11.00	—	11.65 2 years, £2,000 minimum
Gateway	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Greenwich	—	10.75	12.00	12.75 5 yrs., 12.25 4 yrs., 11.75 3 yrs.
Guardian	10.25	10.75	—	12.25 6 mths. not., 11.75 3 mths. not. m.n. £1,000
Halifax	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Heart of England	10.25	10.50	11.75	12.50 5 yrs., 11.00 3 mths. notice
Hearts of Oak and Enfield	10.25	10.50	11.75	12.50 4 yrs., 11.53 3 yrs., 11.50 2 yrs.
Hendon	10.50	11.00	—	12.00 6 months, minimum £2,000
Huddersfield and Bradford	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Lambeth	10.25	10.75	12.50	12.50 5 yrs., withdrawals aft. 18 mths.
Leamington Spa	10.35	10.60	14.19	12.55 5 yrs., 12.30 4 yrs., 11.90 3 yrs.
Leeds Permanent	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Leicester	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Liverpool	10.25	10.50	11.95	12.50 5 years, minimum £1,000
London Goldhawk	10.25	10.75	12.00	11.75 3 yrs., 11.50 2 yrs., 11.25 1 yr.
Melton Mowbray	10.35	10.60	11.75	12.10 4 yrs., 11.35 2 yrs.
Mornington	10.75	11.25	—	—
National Counties	10.50	10.80	11.80	11.90 6 mth., 11.35 3 mth., min. £1,000
Nationwide	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
New Cross	11.00	11.25	—	—
Northern Rock	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Norwich	10.25	10.50	12.00	11.50 3 yrs., 11.25 2 yrs., min. £500
Paddington	10.00	11.00	12.50	11.75 6 months, 11.50 3 months
Peckham Mutual	10.50	11.25	—	—
Portman	10.25	10.50	11.75	12.50 5 yrs., 11.55 6 months' notice
Principality	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Property Owners	10.25	11.00	12.25	12.50 av. 4 yr., 12 6 mth., 11.55 3 mth.
Provincial	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Skipton	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Sussex County	10.50	10.75	12.55	12.55 5 yrs., 12.15 4 yrs., 11.75 3 yrs.
Sussex Mutual	10.50	10.85	12.50	11.25-13.10 all with special options
Town and Country	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Walthamstow	10.25	10.60	11.70	12.60 5 yrs., 11.6 6 mth. not. min. £500
Wessex	10.50	11.20	—	20.20 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Woolwich	10.25	10.50	11.75	12.50 6 mth. not. WDL min. 3 yrs.

* Rates normally variable in line with changes in ordinary share rates.
All these rates are after basic rate tax liability has been settled on behalf of the investor.

UK MONEY MARKET

Bank of England Minimum Lending Rate 17 per cent (since November 15, 1979)

The Treasury bill rate fell by 0.0480 per cent at yesterday's tender to 16.0947 per cent, and the minimum accepted bid rose to £95.98 from £95.965. Bids at that level were met as to about 3 per cent and above in full. The £300m bills on offer attracted bids of £898m and all bills offered were allotted. Next week a further £300m will be on offer, replacing a similar amount of maturities.

Day to day credit remained in short supply in the London money market yesterday, and the authorities gave assistance on an exceptionally large scale. This comprised small Treasury bill purchases from discount houses and a small number of local authority bills both from banks and discount houses. The authorities also bought an extremely large amount of eligible bank bills, and these are all for resale at a fixed future date as are some of the local authority bills. The help was made up with small loans to three or four houses at MLR for repayment on Tuesday.

EXCHANGES AND BULLION

Sterling continued to rise in currency markets yesterday, touching its best level against the dollar since April, 1975, and rising to nearly a five-year high on a trade weighted basis. The dollar meanwhile lost ground on further cuts in U.S. prime rates. Sterling's trade weighted index closed at 74.3 compared with 74.0 on Thursday, having stood at 74.1 at noon and in the morning.

Against the dollar sterling opened at $2.3375 and dipped to $2.3300 as the dollar attracted central bank support. By noon however, demand for the pound had pushed up the rate to $2.3350.

During the afternoon it continued to improve and touched a best level of $2.3455-2.3475 before closing at $2.3445-2.3455, a rise of 1.6c from Thursday and 6.1c on the week.

The dollar finished around its worst level of the day, slipping to DM 1.7785 against the D-mark, compared with DM 1.7890 and SwFr 1.6500 against SwFr 1.6635 in terms of the Swiss franc.

Gold rose $12 an ounce in the London bullion market to close at $512-516. This showed a fall on the week of just $2½.

THE POUND SPOT AND FORWARD

May 23	Day's Spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.3300-2.3475	2.3445-2.3455	1.77-1.67c pm	8.80	4.37-4.27 pm	7.37
Canada	2.7080-2.7215	2.7195-2.7205	1.50-1.40c pm	9.40	4.30-4.15 pm	8.21
Nethlnd.	4.56-4.58	4.57½-4.58½	2-2c pm	6.55	7½-6½ pm	9.11
Belgium	66.60-66.95	66.80-66.90	12-2c pm	1.26	37-27c pm	1.91
Denmark	12.94-13.01	12.99½-13.00½	¼-2¼ore dis	−1.50	3½-5½ dis	−1.37
Ireland	1.1150-1.1210	1.1200-1.1210	0.04-0.01p pm	0.27	0.25-0.20 pm	0.80
W. Ger.	4.15½-4.18½	4.16¾-4.17¾	3¼-2¼pf pm	8.27	8¾-7¾pf pm	7.54
Portugal	114.10-115.10	114.65-114.85	5c pm-30c dis	−1.31	10pm-85dis	−1.48
Spain	165.00-165.80	165.50-165.60	54c pm-par	1.96	5 pm-70 dis	−0.78
Italy	1954-1962	1960½-1961½	2¾-4¾lire dis	−1.99	5¾-7¾ dis	−1.27
Norway	11.39-11.45	11.44-11.45	4½-2½ore pm	3.67	12¾-10⅞ pm	4.11
France	9.68½-9.74	9.72-9.73	3¼-3¼c pm	4.63	10¾-9¾ pm	4.22
Sweden	9.78½-9.83½	9.82-9.83	4¾-3¾ore pm	4.73	7¾-6¾ pm	2.90
Japan	516-525	518-519	2.15-1.90y pm	4.57	4.20-3.80 pm	3.09
Austria	29.65-29.85	29.78-29.83	21-17gro pm	7.66	54-58 pm	6.84
Switz.	3.86-3.89	3.86¾-3.87¾	4¾-3¾c pm	11.62	11¾-10¾ pm	11.49

Belgian rate is for convertible francs. Financial franc 70.05-70.15. Six-month forward dollar 7.57-7.47c pm. 12-month 11.00-10.80c pm.

GOLD

	May 23		May 22	
Gold Bullion (fine ounce)				
Close	$512-516	(£218-220)	$500-504	(£214¾-216¾)
Opening	$510-514	(£218½-220½)	$506-510	(£215¾-218¾)
Morning fixing	$510.50	(£218.530)	$507.50	(£218.327)
Afternoon fixing	$511.28	(£218.580)	$501	(£215.577)
Gold Coins				
Krugerrand	$528½-530½	(£225¼-227¼)	$517-520	(£221½-224½)
Mapleleaf	$523-528	(£223-226)	$507-517	(£218-223)
New Sovereigns	$131½-132½	(£56-57)	$129½-139½	(£55¼-58¼)
King Sovs.	$156-159	(£66½-68½)	$152-155	(£65-67)
Victoria Sovs.	$157-160	(£67-69)	$153-156	(£65½-67½)
French 20s	$139-143		$136-141	
50 pesos Mexico	$639-645		$626-632	
100 Cor. Austria	$506-511		$496-506	
$20 Eagles	$630-635		$627-632	
$10 Eagles	—		—	
$5 Eagles	—		—	

EXCHANGE CROSS RATES

May 23	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.345	4.173	518.5	9.725	3.875	4.580	1961	2.720	66.85
U.S. Dollar	0.426	1.	1.779	221.1	4.147	1.651	1.953	836.2	1.160	28.51
Deutschemark	0.240	0.562	1.	124.3	2.331	0.928	1.098	470.0	0.652	16.02
Japanese Yen 1,000	1.829	4.526	8.047	1000.	18.76	7.469	8.833	3782.	5.246	128.9
French Franc 10	1.029	2.411	4.290	533.2	10.	3.982	4.710	2016.	2.797	68.74
Swiss Franc	0.258	0.606	1.077	133.9	2.511	1.	1.183	506.4	0.702	17.26
Dutch Guilder	0.218	0.512	0.911	113.2	2.183	0.846	1.	428.2	0.594	14.60
Italian Lira, 1,000	0.510	1.196	2.128	264.4	4.959	1.975	2.336	1000.	1.387	34.09
Canadian Dollar	0.368	0.862	1.534	190.6	3.575	1.424	1.684	721.0	1.	24.58
Belgian Franc 100	1.496	3.508	6.242	775.6	14.55	5.793	6.851	2933.	4.069	100.

LONDON MONEY RATES

May 23 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	16-17¾	—	—	—	17-17½	16-17	—	—	—
2 days notice	—	—	17¼-17½	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	17¼-17½	17⅜-17½	—	17¾	17⅝	16¾-17	—	—	—
One month	17¼-17	17⅛-17⅝	17¼	18⅝-18⅛	17⅝	17⅝-17⅜	16¾	16⅞-16	17 1/16	17¾
Two months	17 3/16-17	17 3/16-17¼	—	17⅜-17⅝	17⅛	—	16⅛	16 1/16-16⅛	16 9/16	17⅛
Three months	17 1/16-16 15/16	17 1/16-17 1/16	17-17⅛	17⅜-17	17 1/16	17⅛-17⅜	16½	16 9/16	16½	16⅞
Six months	16⅜-16⅛	16¼-15⅝	16-16¼	16⅝-15⅞	16⅝	—	—	—	15⅛	15⅝
Nine months	15⅝-15¼	15½-15⅝	—	15¼-15⅞	15½	—	—	—	—	—
One Year	14 15/16-14¾	15 1/16-15 1/16	15¼-15½	15⅝-15⅝	16¾	—	—	—	—	—
Two years	—	—	15⅛-15¼	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. *Long-term local authority mortgage rate nominally three years 14⅞-15 per cent; four years 14¾-14⅞ per cent; five years 14⅝-14¾ per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 16⅜ per cent; four-month trade bills 16⅞ per cent.

Approximate selling rates for one-month Treasury bills 15 27/32-15⅞ per cent; two-months 15 25/32-15 29/32 per cent; three-months 16 3/32 per cent. Approximate selling rates for one-month bank bills 17 1/16 per cent; two-months 16 21/32 per cent; three-months 16¾-16 7/16 per cent; one-month trade bills 17½ per cent; two-months 17⅛ per cent; and three-months 16⅞ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 19 per cent from May 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 15 per cent. Clearing Bank Rates for lending 17 per cent. Treasury Bills: Average tender rates of discount 16.0947 per cent.

CURRENCY MOVEMENTS

May 23	Bank of England Index	Morgan Guaranty Changes %
Sterling	74.3	−31.5
U.S. dollar	84.1	−9.4
Canadian dollar	81.1	−18.7
Austrian schilling	156.2	+23.5
Belgian franc	118.5	+13.9
Danish kroner	106.3	−4.7
Deutsche mark	154.6	+44.5
Swiss franc	195.6	+78.8
Guilder	185.2	+19.3
French franc	100.9	−5.9
Lira	53.6	−50.9
Yen	128.5	+25.9

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one-month 8.85-8.95 per cent; three-months 9.05-9.15 per cent; six-months 9.00-9.10 per cent; one year 9.00-9.10 per cent.

May 23	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
Short term	17-17¼	8¼-8½	—	11-11¼	8-2½	9¼-9⅝	18½-12⅝	14-15	8¼-8⅝	12¼-12¾
7 days' notice	17⅛-17⅜	8⅝-8⅞	—	11-11¼	5½-6	9 7/16-9 9/16	12⅛-12⅜	19-22½	8½-8⅝	18¾-13
Month	17¼-17½	8⅞-9⅛	11½-11⅞	11⅛-11⅜	5 9/16-5 11/16	9 7/16-9 9/16	12⅛-12⅜	19-21	8⅞-9	12⅞-13⅛
Three months	17-17⅛	9⅜-8⅝	10⅞-11¼	11⅛-11⅜	5½-5⅝	9 5/16-9 7/16	12 5/16-12 11/16	18¾-19¾	9⅛-9⅝	13⅛-13¼
Six months	15⅞-16¾	9 5/16-9 7/16	10-10⅜	10⅞-11⅛	5 5/16-5 7/16	9 5/16-9 7/16	12¾-13	17½-18½	8 11/16-9 1/16	11⅞-18⅛
One year	15-16¼	8 13/16-9 3/16	9⅞-10¼	10¾-11	5 7/16-5 9/16	8 13/16-8 15/16	12⅞-13⅛	18-19	9¾-9⅞	10⅛-11⅛

Long-term Eurodollar two years 10¾-10⅞ per cent; three years 10⅝-10⅞ per cent; four years 10⅝-10⅞ per cent; five years 10⅝-10⅞ per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen; others two days' notice. Asian rates are closing rates in Singapore.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU May 23	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40.3675	+1.44	+0.50	±1.53
Danish Krone	7.72336	7.85352	+1.69	+0.75	±1.64
German D-Mark	2.48208	2.51779	+1.44	+0.50	±1.125
French Franc	5.84700	5.86411	+0.29	−0.65	±1.3557
Dutch Guilder	2.74362	2.76697	+0.85	−0.09	±1.512
Irish Punt	0.668201	0.675786	+1.12	+0.19	±1.668
Italian Lira	1157.79	1181.36	+2.04	+1.61	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

May 23	£	$		£ Note Rates
Argentina Peso	4815-4235	1806-1815	Austria	29.50-29.80
Australia Dollar	2.0515-2.0550	0.8755-0.8760	Belgium	67.65-67.65
Brazil Cruzeiro	116.33-117.53	49.935-50.135	Denmark	12.90-12.97
Finland Markka	8.55-8.56	3.6680-3.6700	France	9.63-9.67
Greek Drachma	99.972-102.194	42.75-42.95	Germany	4.15-4.1750
Hong Kong Dollar	11.5075-11.5275	4.9250-4.9280	Italy	1912-1970
Iran Rial	n/a	n/a	Japan	516-521
Kuwait Dinar (KD)	0.623-0.635	0.2683-0.2684	Netherlands	4.5450-4.5457
Luxembourg Frc.	66.50-66.90	28.48-28.51	Norway	11.35-11.42
Malaysia Dollar	5.0480-5.0500	2.1605-2.1625	Portugal	109-114.50
New Zealand Dlr.	2.3760-2.3915	1.0140-1.0150	Spain	160.00-167.50
Saudi Arab. Riyal	7.71-7.81	3.3270-3.3290	Sweden	9.71-9.81
Singapore Dollar	4.9970-5.0090	2.1390-2.1410	Switzerland	3.855-3.885
Sth. African Rand	1.8375-1.8395	0.7835-0.7845	United States	2.345-2.3435
U.A.E. Dirham	8.65-8.73	3.7190-3.7220	Yugoslavia	47.25-48.50

Rate given for Argentina is free rate.

U.K. CONVERTIBLE STOCKS 23/5/80

Statistics provided by dataSTREAM International

Name and description	Size (£m)	Current price	Terms*	Conversion dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Diff.♡	Cheap(+) Dear(−)◇ Current
Bank of Ireland 10pc Cv. 91-96	1.20	144.00	47.6	77-81	7.0	4.9	−9.7	−15 to −7	0.0	9.3	5.9	15.6
British Land 12pc Cv. 2002	7.71	262.00	333.3	80-97	4.6	2.5	0.8	−0 to 6	0.0	88.6	34.1	33.3
Hanson Trust 6½pc Cv. 88-93	3.02	81.00	57.1	76-81	8.1	9.1	−8.3	−10 to 1	6.2	3.1	−3.5	5.0
Slough Estates 10pc Cv. 87-90	5.44	231.00	187.5	78-86	4.4		−2.2	−6 to 3	35.7	44.3	3.6	5.9
Slough Estates 8pc Cv. 91-94	24.88	117.00	78.0	80-91	7.0	6.2	19.0	15 to 22	26.0	51.1	25.5	6.5
Ultramar 7pc net R.Cv.Pfd.	12.59	3.56	0.5	76-87	2.8		93.3	91 to 113	37.6	48.7	6.0	−87.3
Wilkinson Match 10pc Cv. 84-98	11.10	72.00	40.0	76-83	14.7	15.2	62.2	23 to 62	20.9	29.4	19.0	−43.2

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness.

Resurgence of overseas funds takes Gilts up sharply
Trading warnings continue to weigh on equity leaders

Account Dealing Dates
Options

*First Dealings	Declarations	Last Dealings	Account Day
May 12	May 28	May 30	June 9
June 2	June 12	June 13	June 23
June 16	June 26	June 27	July 7

* "New time" dealings may take place from 9 am two business days earlier.

Sizeable overseas investment funds drawn by the strong pound sent Government securities sharply higher yesterday. The authorities were able to sell supplies of the partly-paid medium tap stock, Exchequer 13¼ per cent 1992, at 20½ and at 20⅝ before withdrawing, and the market was still rising in the late trade despite the announcement at the 3.30 pm close of further Government funding in the shape of £600m of Treasury 3 per cent 1985, payable in full on application next Thursday at a minimum tender price of £69.

Other factors contributing to the market's strength were overnight reports of the U.S. Federal Reserve easing credit curbs, repeated predictions of a lower rate of U.S. inflation shortly, and further reductions in prime rates to 14½ per cent. Although Gilt-edged market pressures for a fall in Minimum Lending Rate appear to be building up again, domestic investors were still inclined to show reservations and generally remained on the sidelines. Nevertheless, late gains were ranging to 1¼ points in longer-dated Gilts and to ½ among the shorts.

There was little comfort for the equity sectors. Thursday's warnings from two of the UK's largest manufacturing groups of deteriorating trading prospects continued to weigh on sentiment, although yesterday's losses were much smaller in ICI, GKN, Tube Investments and Lucas Industries, the principal casualties on Thursday. But selected Electricals came under selling pressure, in particular GEC and Racal Electronics. Measuring the overall dullness, the FT 30-share index gave up 3.2 for a fall on the week of 12.4 to 423.3, its lowest since March 28.

Business in Traded options contracted again, only 252 deals being completed; the week's daily average amounted to a meagre 430.

This week's market newcomers all trended lower with Oakwood closing 4 off at 83p, Air Call 3 lower at 170p and Peerless 2 down at 98p.

Discounts up again

Buoyed by the continuing strength of British Funds, Discount Houses made further good progress and closed with double-figure gains in places. Seccombe Marshall and Campion stood out with a rise of 20 to 240p, while Union advanced 17 to 447p. Gerrard and National put on 6 to 250p and Jessel Toynbee appreciated 5 to 77p, as did Alexanders, to 248p. Interest in Merchant Banks cooled considerably after the previous day speculative activity generated by news of the Charterhouse Group/Keyser Ullman bid discussions. Hill Samuel encountered profit-taking and closed 5 off at 94p following comment on the group's recent discussions with Merrill Lynch, America's leading broking and investment house, while Hambros ended a like amount lower at 377p. Details of the Charterhouse Group's agreed 84p per share cash offer for Keyser came after market hours and dealings in both will be resumed at 9.30 am on Tuesday. The major clearers edged higher with Lloyds closing 3 better at 295p and Natwest a couple of pence harder at 320p.

Insurances were inclined harder in places. Ahead of Wednesday's first-quarter figures, Phoenix hardened 2 to 218p.

An otherwise idle drinks sector was featured by Highland Distilleries which rose 5 to 133p in response to investment support.

Occasional selling left its mark on the Building sector where Redland were particularly vulnerable to offerings and gave up 7 to 150p. Blue Circle eased to 318p before settling at 320p, down only 2 on the day. Falls of 4 were recorded in Tarmac, 222p, Costain, 130p, and Marchwiel, 80p, while Burnett and Hallamshire, a rising market of late on Press mention, reacted 15 to 600p.

Still reflecting the warning of much more difficult trading conditions and a narrowing of profit margin, ICI eased afresh to 354p before steadying up to close 4 off on the day at 358p for a two-day fall of 16. Other Chemicals trended easier, Arrow losing 4 to 74p and Fisons 3 to 267p.

Polly Peck jump

Secondary Stores were featured by Polly Peck, which attracted further speculative support and jumped 10 for a gain on the week of 21 at 57p. Buyers also showed interest in perennial takeover favourite Peters, 8 better at 70p. A. Goldberg ended a penny to the good at 65p following the annual results, but support was lacking for Comet Radiovision and Currys, down 3 apiece at 83p and 173p respectively. Harris Queensway lost 4 more to 162p. Small sellers were again to the fore among the leaders. British Home gave up 4 to 276p, while Mothercare shed a couple of pence to 228p. Debenhams, on the other hand, gained the turn to 68p after favourable comment on the annual results.

The Electrical leaders came under some fairly heavy selling pressure in the earlier dealings, but quotations closed a shade above the worst. GEC ended 8 cheaper at 357p and Racal finished a similar amount off at 236p. Secondary issues held up relatively well, but Electrocomponents remained on offer and gave up 7 further to 523p, while Louis Newmark fell 10 to 330p in a limited market. Soler Electrical Deferred were unchanged at 23p; prices in our last two issues were in error.

Already unsettled by the half-year profits warning from GKN and several other statements on the gloomy outlook, Engineers were given a further jolt by Babcock International, 83p, down 5, on the group's forecast of substantially lower half-yearly profits. GKN weakened afresh to 235p before settling a shade above the worst at 236p, down 6, while Tubes gave up 4 further to 246p. Selling became increasingly evident in secondary issues where falls were fairly widespread. McKechnie fell 6 to 91p and losses of 5 were marked against Deritend, 150p, Spirax-Sarco, 209p, and APV, 173p. Delta Metal weakened afresh to 50½p, down 3. Midland Industries gave up 4 to 93p and 600 Group 3 to 60p, while James Neill eased a similar amount to 50p.

Bridon weak

In Foods, Tate and Lyle shed a couple of pence to 130p, while Associated Dairies eased 4 at 168p. Following the chairman's statement at the annual meeting, William Morrison closed 3 cheaper at 133p.

Dealings in Old Swan Hotel (Harrogate) were suspended at 43p; talks are in progress with Queens Moat Houses which acquired a near-15 per cent stake in the former on Wednesday; Queen's Moat ended a penny easier at 31p. Ladbroke added 4 to 162p following the sale of its Cesars Palace casino in Luton to Lonrho for £2.25m.

Miscellaneous industrials ended the week on a dull note. Still reflecting the chairman's warning that results for the first-half of the current year will not be encouraging, Bridon encountered renewed selling and fell 6 for a drop on the week of 15 to 51p. Offerings ahead of next Thursday's interim results left ICL 6 off at 131p, while Sothebys dipped 15 to 485p, after 480p, on profit-taking after the recent good rise on investment buying. Comment on the sharp profits contraction prompted a fresh fall of 2¼ to 23½p in William Press, while Viners reacted from an initial firm level of 15½p to finish a net penny down on balance at 12½p following news of the dividend omission and annual deficit. AGB Research gave up 7 to 165p and Carlton Industries cheapened 6 to 270p, while falls of 5 were seen in Gripperrods, 182p, Low and Bonar, 173p and J. F. Nash Securities, 65p. Dealings in Dondonian, 74p, were suspended at the company's request accompanying good preliminary results and a statement about floating off part of the company's South West Consolidated Minerals subsidiary; the Board hopes that dealings will be resumed next Friday. By way of contrast, Hays Wharf rose 6 to 162p on demand ahead of Thursday's interim. Among the quietly dull leaders, Boots eased 2 to 187p on profit-taking in the wake of the satisfactory results. Beecham softened a penny to 110p; the preliminary figures are due next Thursday.

The sharp contraction in first-half profits clipped a penny from Howard and Wyndham, 4p. Elsewhere among Leisure issues, Norton and Wright were again wanted and added 3 for a two-day gain of 8 at 73p.

The grim outlook forecast for the UK motor industry continued to unsettle Lucas, 4 down for a fall on the week of 22 at 202p. Further consideration of the slightly disappointing annual results clipped another couple of pence from Associated Engineering, 56p. Elsewhere in Motor sectors, Fodens, weak of late on profit-taking, rallied to close 3 better at 38p.

House Property Co. of London stood out among irregular Properties with a rise of 15 to 280p. Hammerson A added 5 to 895p as did Lynton, to 201p. Berkeley Hambro lost 8 to 206p; Hambros Investment Trust has sold 1m shares, thus reducing its holding to 1.33 per cent.

Trading in oils was at a low level compared with the recent high volume of activity. Leading issues fluctuating within narrow limits before closing a shade harder on balance, BP, 338p, and Shell, 378p, both ending 2 firmer. Among the exploration issues, Carless Capel touched 125p before recovering to close 2 dearer on balance at 130p, while Candecca encountered late demand and finished 8 to the good at 140p, after 130p. In contrast, Siebens reacted 20 to 900p and Cambridge Petroleum 10 to 250p.

Trusts were inclined easier while, in Financials, Mercantile House met profit taking and gave up 5 to 223p.

A batch of company trading statements provided some interest in recently neglected Textiles. Homfray eased a penny to 11p, after 10p, after announcing a substantial interim loss, but the annual deficit from Hield Bros. came as no surprise and the shares closed unchanged at 6p. The return to profits lifted Youghal Carpets a penny to 12p.

Australian gains

News of a 5 cents maiden dividend from one-time nickel high-flyer Poseidon — now a gold producer through its holding in Kalgoorlie Lake View — encouraged a good demand for Poseidon's shares which rose 3 to 120p.

Other Australian issues, notably gold exploration, oils and diamond exploration stocks, also came in for strong support, although much of the buying was of a speculative nature.

In the gold issues, Otter Exploration and Samantha Exploration rose 8 and 6 respectively to the common price of 74p. The diamond explorers were featured by Leichardt, which jumped to 280p before closing a net 40 up at 270p.

The Ashton venturers were generally a shade better aided by favourable Press mention. Conzinc Riotinto, the consortium leader, rose 4 to 260p while gains of a penny were common to Ashton Mining, 125p and Northern Mining, 124p.

The Rundle oil-shale twins moved up strongly in the after-hours trading. Central Pacific put on almost a point to £25¾ and Southern Pacific 25 to 950p.

Among the lesser-known junior exploration stocks, Jones Mining, the subject of heavy speculative interest "down-under," hardened 2 more to 17p, around 8 higher over the week.

In sharp contrast to the Australian market, the Gold and Financial sections remained quietly steady. Golds were mixed, despite the firmer bullion price, which rose $12 to $514 an ounce.

The heavyweights tended to improve but lower-priced stocks were marginally easier overall. The Gold Mines index gained 1.8 for a rise of 5.5 on the week to 310.1.

Little interest was shown in Financials. London stocks were featured by Tanks, which rallied 4 to 269; the company has a 9.1 per cent interest in the Ashton diamond venture. Rio Tinto-Zinc, on the other hand, dipped 5 to 347p, reflecting the easier trend in UK equities.

LONDON TRADED OPTIONS

Option	Ex'rcise price	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	Equity close
BP	360	17	8	30	—	44	—	337p
BP	420	4	—	12	5	—	—	"
Cons. Gold	460	26	—	42	17	52	—	455p
Courtaulds	60	10	5	12	—	14	—	70p
Courtaulds	85	2	—	4	15	—	—	"
GEC	360	18	—	35	—	49	2	338p
GEC	390	8	1	20	—	34	—	"
Grand Met.	140	2	8	5	8	—	—	126p
ICI	360	16	9	27	—	38	—	356p
ICI	380	3	21	14	10	24	—	"
ICI	420	1½	—	6	2	—	—	"
Land Secs.	300	40	4	36	—	68	—	340p
Land Secs.	335	15	4	33	—	46	3	"
Land Secs.	360	4½	—	16	—	29	3	"
Marks & Sp.	90	3½	25	7½	—	10	2	86p
Marks & Sp.	100	1¼	—	3	50	—	—	"
Totals			85		99		10	
		May		**August**		**November**		
Boots	180	8	1	18	—	—	—	187p
Imperial Gp.	80	½	1	3½	—	4½	—	74p
Racal Elec.	200	33	10	44	—	54	—	236p
Racal Elec.	225	16	12	29	—	40	—	"
RTZ	360	2	16	20	8	36	5	349p
RTZ	425	½	16	7	—	14	—	"
Totals			44		8		5	

FINANCIAL TIMES STOCK INDICES

	May 23	May 22	May 21	May 20	May 19	May 16	A year ago
Government Secs.	68.08	67.54	67.58	67.42	67.61	67.76	72.70
Fixed Interest	68.19	68.02	68.09	68.04	68.08	68.10	74.98
Industrial	423.3	426.5	431.5	433.6	433.8	435.7	506.4
Gold Mines	310.1	308.0	310.6	308.9	309.2	304.6	187.4
Ord. Div. Yield	8.45	8.34	8.22	8.19	8.18	8.12	5.84
Earnings, Yld. % (full)	20.37	20.34	20.05	19.96	19.94	19.81	16.75
P/E Ratio (net) (*)	5.90	5.97	6.06	6.08	6.09	6.13	8.14
Total bargains	17,431	17,449	17,625	17,207	18,235	17,126	—
Equity turnover £m	—	89.28	96.30	83.36	109.92	81.66	74.26
Equity bargains total	—	11,616	12,671	11,337	14,171	11,212	12,363

10 am 424.9. 11 am 422.9. Noon 423.0. 1 pm 422.6.
2 pm 422.8. 3 pm 423.3.

Latest Index 01-246 8026.

*Nil=3.53.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS · S.E. ACTIVITY

	1980 High	1980 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	69.26 (21/1)	63.65 (7/3)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	69.01 (21/1)	64.70 (7/3)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	478.8 (14/2)	406.9 (3/1)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	377.9 (29/2)	965.5 (18/4)	442.3 (22/5/75)	43.3 (26/10/71)

	May 23	May 22
—Daily		
Gilt Edged	119.3	88.3
Industrials	106.1	107.3
Speculative	26.8	28.9
Totals	72.8	73.8
5-day Avrge.		
Gilt Edged	114.0	111.1
Industrials	111.6	109.4
Speculative	30.3	30.0
Totals	78.9	77.9

RISES AND FALLS

	Yesterday Up	Yesterday Down	Yesterday Same	On the week Up	On the week Down	On the week Same
British Funds	80	3	7	182	174	94
Corpns. Dom. & Foreign Bds.	29	1	36	50	16	261
Industrials	108	457	828	665	1,625	4,675
Financial and Property	60	108	334	316	609	1,585
Oils	14	14	22	72	98	80
Plantations	2	5	18	13	30	88
Mines	38	36	80	199	204	372
Others	56	36	52	189	234	280

TAMPAX INC. OFFER FOR MINORITY

Tampax Inc. of the U.S. is bidding £30 per share cash for the 18.6 per cent of its UK side not already owned, valuing the minority at about £4.9m.

In addition to the 50p dividend paid for the first quarter, accepting holders will be entitled to 50p in July and 50p in October. Suitable proposals will be put to preference holders in due course.

Independent directors of the UK end of Tampax, which produced 1979 profits of £3m from £21.2m sales, will vote in favour of the offer, to be effected by a scheme of arrangement.

NEW HIGHS AND LOWS FOR 1980

The following shares quoted in the Share Information Service yesterday attained new Highs and Lows for 1980.

NEW HIGHS (52)

BRITISH FUNDS (23)
Treas. 3½pc '79-81 | Treas. 13pc 1990
Exchqr. 9½pc 1981 | Treas. 11¾pc 1991
Exchqr. 12¾pc '81 | Treas. 12¾pc 1992
Treas. 14pc 1982 | Exchqr. 13½pc 1992
Exchqr. 10pc 1983 | Treas. 12½pc 1993
Exchqr. 11¾pc '84 | Treas. 12pc '90-95
Exchqr. 3pc 1984 | Exchqr. 10¼pc 1995
Treas. 8½pc '84-86 | Treas. 14pc 1996
Exchqr. 13¾pc '87 | Treas. 13¾pc 1997
Fndg. 5½pc '85-87 | Treas. 13¾pc 00-03
Treas. 7¾pc '85-88 | Treas. 13¾pc 00-03
Treas. 11½pc 1989 | Treas. 13¾pc 00-03 A

CORPORATION LOANS (7)
Bath 11¼pc 1985 | London Corp. 13¾pc '83
G.L.C. 12½pc '82 | L.C.C. 5½pc '82-84
Glasgow 9¼pc 1980-82 | N'castle 9¼pc '78-80
Sund'land 12¼pc '84

COM'WEALTH & AFRICAN LOANS (1)
Aust. 3½pc 81-82

AMERICANS (1)
Owens-Illinois

BANKS (8)
Alexanders Discount | Gerrard Nat.
Allen Harvey Ross | Jessel Toynbee
Bankers Tst. N.Y. | U.D.T.
Brown Shipley | Wagon Finance

BEERS (1)
Boddingtons

STORES (2)
Menzies (J.) | Polly Peck

ELECTRICALS (1)
Emess Lighting

ENGINEERING (1)
Anderson Strathclyde

FOODS (1)
Barr (A. G.)

INDUSTRIALS (1)
Assoc. Sprayers

PROPERTY (3)
Oares Ests. | Lynton Hldgs.
Hammerson A

TEXTILES (1)
Mountleigh

OIL & GAS (1)
Ultramar 7pc Conv.

NEW LOWS (89)

AMERICANS (1)
Barnes Group

BUILDINGS (6)
Laing (J.) A | Mowlem (J.)
Leyland Paint | Wilson (Connolly)

CHEMICALS (1)
BASF AG

STORES (7)
B & Q (Retail) | Preedy (A.)
Bremner | Walker (J.) N.V.
Greenfields | Wilkinson Warburton
MFI Furniture

ELECTRICALS (2)
Highland Elect. | Wigfall (H.)

ENGINEERING (22)
Acrow | Delta Metal
Adwest | Evered
Allen (W. G.) | Glynwed
Austin (J.) | Greenbank
Babcock Intl | GKN
British Aluminium | Hawker Siddeley
Burgess Products | Pegler-Hattersley
Castings | Record Ridgway
Clifford (C.) | Renold
Cronite | Stone-Platt
Davy Corp. | Whessoe Watson

FOODS (2)
Glass Glover | Hillards

HOTELS (1)
Queens Moat Houses

INDUSTRIALS (28)
Alpine Hldgs. | J.B. Hldgs.
Amal. Metal | Longton Inds.
Aronson (A.) | Nathan (B. & I.)
Assoc. Comms. A | R.F.D.
Avon Rubber | Relyon PBWS
Beecham | Rotaprint
Bridon | Scapa
Burco Dean | Smith & Nephew
Canning (W.) | Staffs. Potts.
Carlton Inds. | Stonehill
Diamond Stylus | Turner & Newall
Elbief | Uniflex
Grimshawe | W.G.I.
Hawtin | Wilkinson Match

LEISURE (1)
Howard & Wyndham

MOTORS (9)
E.R.F. | Bramall (C. D.)
Assoc. Eng'g | Caffyns
Lucas Inds. | Cowie (T.)
Woodhead (J.) | Heron Motor
Arlington Motor

PAPER (3)
BPC | Melody Mills
Inveresk

SHOES (1)
Scott (D.)

TEXTILES (2)
Pickles A NV | S.E.E.T.

TRUSTS (1)
Fulcrum Inc.

OVERSEAS TRADERS (2)
Bensford (S. & W.) | Lonrho

RUBBERS (1)
Harrisons Malaysian

MINES (1)
Minchelds Explrn.

OPTIONS

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
May 19	Jun. 6	Aug. 28	Sept. 8
Jun. 9	Jun. 20	Sept. 11	Sept. 22
Jun. 23	Jul. 4	Sept. 25	Oct. 6

For rate indications see end of Share Information Service.

Call options were dealt in Premier Oil, LRC, Willis Faber, Wilkinson Match, KCA, Coral Leisure, Newman Industries, Old Swan Hotel, Charterhall, William Mallinson, National Carbonising, Associated Fisheries, FNFC and Carless Capel. Puts were done in Siebens, Racal and Unilever, while a double was arranged in Coral Leisure.

RECENT ISSUES

EQUITIES

FIXED INTEREST STOCKS

"RIGHTS" OFFERS

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS — Figures in parentheses show number of stocks per section

		Fri., May 23, 1980 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thurs., May 22 Index No.	Wed., May 21 Index No.	Tues., May 20 Index No.	Mon., May 19 Index No.	Year ago (approx.) Index No.	1980 High	1980 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (172)	228.77	−1.8	19.17	7.00	6.48	232.94	235.27	236.34	236.53	263.94	250.52 (14/2)	208.87 (3/1)	287.87 (4/5/79)	50.71 (13/12/74)
2	Building Materials (28)	225.62	−1.7	19.08	7.22	6.47	229.43	230.15	231.58	231.97	244.88	244.27 (14/2)	194.00 (3/1)	270.52 (8/5/79)	44.27 (11/12/74)
3	Contracting, Construction (27)	343.54	−1.4	27.07	7.04	4.43	348.31	350.50	351.39	351.86	402.35	377.28 (29/2)	313.00 (3/1)	451.74 (4/5/79)	71.48 (2/12/74)
4	Electricals (16)	606.88	−1.8	13.79	4.16	9.41	618.06	622.77	621.50	621.64	637.18	646.77 (13/2)	539.56 (2/1)	698.53 (4/5/79)	84.71 (25/6/62)
5	Engineering Contractors (11)	270.22	−0.7	25.29	9.59	4.98	272.14	274.01	274.29	273.59	393.30	306.54 (14/2)	268.22 (18/3)	429.70 (4/5/79)	64.39 (2/1/75)
6	Mechanical Engineering (74)	152.50	−2.0	21.29	8.60	5.79	155.66	157.37	158.54	158.65	195.88	173.75 (14/2)	146.46 (3/1)	211.08 (8/5/79)	45.43 (6/1/75)
8	Metals and Metal Forming (16)	151.29	−2.1	22.78	10.80	5.30	154.54	159.35	161.98	162.27	180.21	171.28 (29/2)	141.95 (2/1)	192.29 (4/5/79)	49.65 (6/1/75)
	CONSUMER GOODS														
11	(DURABLE) (49)	206.39	−1.6	15.86	6.17	7.72	209.84	211.85	212.78	214.45	244.40	226.35 (3/3)	184.82 (3/1)	259.88 (8/5/79)	38.39 (6/1/75)
12	Lt. Electronics, Radio, TV (14)	298.32	−1.8	12.21	4.48	10.47	303.86	305.04	305.90	308.63	333.25	322.21 (3/3)	247.36 (3/1)	358.49 (11/9/79)	42.85 (13/12/74)
13	Household Goods (14)	98.06	−0.7	30.14	10.90	3.92	98.71	98.07	98.97	101.65	171.68	116.40 (1/1)	98.06 (23/5)	263.22 (4/5/72)	63.92 (17/12/74)
14	Motors and Distributors (21)	98.62	−1.3	23.32	10.01	4.99	99.96	102.92	103.72	103.82	124.97	115.86 (29/1)	98.62 (23/5)	170.59 (15/1/69)	19.91 (6/1/75)
	CONSUMER GOODS														
21	(NON DURABLES) (172)	213.62	−0.2	19.27	7.40	6.28	214.11	214.73	215.28	215.29	244.86	226.99 (21/1)	200.15 (3/1)	269.81 (4/5/79)	61.41 (13/12/74)
22	Breweries (14)	271.18	+0.4	16.66	6.62	7.05	270.07	274.25	276.53	277.47	281.62	282.35 (6/5)	248.93 (3/1)	306.13 (4/5/79)	69.47 (13/12/74)
23	Wines and Spirits (5)	291.48	+0.3	18.69	6.41	6.59	290.48	291.66	291.57	293.15	300.88	322.79 (21/1)	286.29 (28/3)	352.29 (29/3/79)	78.88 (13/12/74)
24	Entertainment, Catering (17)	294.43	+0.8	19.22	7.38	6.40	292.11	294.69	295.10	290.36	323.07	312.63 (5/3)	268.07 (3/1)	374.32 (3/5/79)	54.83 (9/1/75)
25	Food Manufacturers (21)	189.02	−0.3	20.79	7.79	5.65	189.66	190.20	189.46	189.03	224.00	208.78 (14/2)	183.95 (28/3)	236.75 (4/5/79)	59.67 (11/12/74)
26	Food Retailing (13)	297.94	−0.9	14.49	5.20	8.16	300.75	300.79	302.72	303.51	297.43	325.52 (21/1)	286.28 (3/1)	332.56 (8/5/79)	54.25 (11/12/74)
32	Newspapers, Publishing (13)	416.81	−0.6	22.81	7.01	5.92	419.24	419.33	419.73	418.39	457.57	455.30 (14/2)	378.52 (3/1)	492.56 (8/5/79)	55.08 (6/1/75)
33	Packaging and Paper (15)	126.68	−0.3	25.63	9.24	4.75	127.12	126.44	127.20	127.06	141.89	134.86 (14/2)	111.30 (3/1)	155.65 (14/9/78)	43.46 (6/1/75)
34	Stores (42)	209.97	−0.4	14.67	5.86	8.78	210.86	210.27	211.24	212.35	247.30	227.12 (29/2)	188.71 (3/1)	273.48 (4/5/79)	52.63 (6/1/75)
35	Textiles (24)	124.39	−0.6	27.88	12.41	4.50	125.12	126.72	126.79	125.79	179.16	134.65 (19/2)	117.70 (8/4)	235.72 (17/1/67)	62.66 (11/12/74)
36	Tobaccos (3)	199.67	−0.7	30.63	11.59	3.70	201.16	201.16	201.16	200.67	250.93	221.71 (18/1)	192.86 (3/1)	399.16 (2/8/72)	94.34 (13/6/62)
37	Toys and Games (5)	26.77	−2.6	45.75	18.12	2.59	27.47	27.77	27.34	27.31	76.46	47.59 (1/1)	26.77 (23/5)	135.72 (16/1/70)	20.92 (6/1/75)
41	OTHER GROUPS (99)	198.28	−1.0	18.32	7.54	6.48	200.18	201.98	202.49	203.42	213.46	215.44 (14/2)	184.19 (3/1)	234.76 (8/5/79)	58.63 (6/1/75)
42	Chemicals (16)	294.71	−0.9	21.28	6.17	5.39	297.35	304.40	304.75	305.67	296.25	317.88 (13/2)	276.80 (3/1)	329.77 (4/5/79)	71.28 (1/12/74)
43	Pharmaceutical Products (7)	178.28	−1.5	14.13	7.51	8.59	180.92	181.70	181.19	182.99	237.18	221.00 (13/2)	178.28 (23/5)	291.13 (14/9/78)	178.28 (23/5/80)
44	Office Equipment (6)	103.29	−1.0	21.09	8.03	5.42	104.34	106.49	107.43	108.37	128.16	123.10 (14/2)	102.45 (3/1)	246.06 (1/9/72)	45.34 (2/1/75)
45	Shipping (10)	495.69	−0.8	14.02	7.13	8.73	499.73	500.93	504.63	508.67	465.23	515.40 (7/5)	411.53 (10/1)	539.68 (18/5/77)	90.80 (29/6/62)
46	Miscellaneous (60)	244.34	−0.8	17.58	6.98	7.00	246.37	245.56	246.55	247.22	254.54	255.99 (14/2)	211.86 (3/1)	273.91 (8/5/79)	60.39 (6/1/75)
49	INDUSTRIAL GROUP (492)	220.05	−0.9	18.77	7.24	6.46	222.06	223.53	224.25	224.68	249.44	236.37 (14/2)	203.76 (3/1)	273.01 (4/5/79)	59.01 (13/12/74)
51	Oils (8)	753.85	+0.5	30.61	6.83	3.61	750.14	752.75	740.68	734.93	643.28	840.16 (5/3)	668.86 (8/1)	840.16 (5/3/80)	87.23 (29/5/62)
59	500 SHARE INDEX	262.17	−0.6	21.33	7.16	5.52	263.77	265.34	265.10	265.07	281.59	282.49 (13/2)	241.13 (3/1)	308.20 (4/5/79)	63.49 (13/12/74)
61	FINANCIAL GROUP (118)	199.38	+0.1	—	6.19	—	199.10	198.18	198.72	198.83	198.11	204.39 (6/5)	175.85 (3/1)	241.41 (11/4/72)	55.88 (13/12/74)
62	Banks (6)	210.48	+0.3	46.53	7.32	2.63	209.79	208.49	209.40	210.81	232.35	236.42 (13/2)	201.01 (8/4)	288.32 (20/7/72)	62.44 (12/12/74)
63	Discount Houses (16)	258.93	+2.3	—	7.50	—	253.09	252.61	246.40	246.40	242.16	258.93 (23/5)	206.50 (18/3)	293.13 (2/5/72)	81.40 (10/12/74)
64	Hire Purchase (5)	199.41	+0.1	16.47	4.98	7.88	199.26	198.51	198.31	196.11	191.31	212.37 (6/5)	160.72 (3/1)	433.74 (4/5/72)	38.83 (11/12/74)
65	Insurance (Life) (10)	180.57	+0.2	—	7.05	—	180.24	178.54	178.18	178.22	162.91	183.66 (6/5)	151.80 (3/1)	194.46 (15/3/72)	44.88 (2/1/75)
66	Insurance (Composite) (9)	125.81	+0.2	—	8.55	—	125.54	125.12	125.35	125.25	135.17	135.02 (13/2)	117.05 (3/1)	161.72 (6/10/77)	43.96 (13/12/74)
67	Insurance Brokers (10)	294.12	—	16.04	7.20	8.66	294.17	293.70	298.29	298.41	289.56	305.08 (17/4)	256.48 (3/1)	372.27 (11/8/78)	65.86 (16/12/74)
68	Merchant Banks (14)	106.95	−0.9	—	5.76	—	107.88	106.94	106.25	105.40	100.95	107.88 (22/5)	87.47 (3/1)	278.57 (1/5/72)	31.21 (7/1/75)
69	Property (45)	398.39	—	3.51	2.78	40.66	398.25	397.34	398.68	398.03	353.75	406.50 (6/5)	304.20 (3/1)	406.50 (6/5/80)	56.01 (20/4/65)
70	Miscellaneous (9)	129.41	—	20.25	7.31	6.29	129.46	128.76	129.30	129.46	127.85	137.13 (14/2)	119.62 (3/1)	303.18 (18/5/72)	33.29 (17/12/74)
71	Investment Trusts (109)	217.47	−0.3	—	6.24	—	218.04	218.32	218.54	218.72	224.82	241.41 (14/2)	188.97 (3/1)	248.31 (26/4/79)	71.63 (13/12/74)
81	Mining Finance (4)	178.85	−0.8	14.87	5.52	8.15	180.19	182.17	181.17	185.46	139.21	230.07 (13/2)	161.95 (1/1)	230.07 (13/2/80)	66.31 (30/9/74)
91	Overseas Traders (19)	371.76	−0.6	13.44	7.28	9.09	373.96	373.60	376.04	380.52	363.26	437.34 (13/2)	330.03 (3/1)	437.34 (13/2/80)	97.37 (6/1/75)
99	ALL-SHARE INDEX (750)	247.08	−0.5	—	6.89	—	248.22	249.16	249.13	249.37	258.73	265.72 (13/2)	225.06 (3/1)	283.82 (4/5/79)	61.92 (13/12/74)

FIXED INTEREST PRICE INDICES

	British Government	Fri., May 23	Day's change %	xd adj. today	xd adj. 1980 to date
1	Under 5 years	104.08	+0.49	—	4.02
2	5-15 years	109.31	+0.86	—	4.15
3	Over 15 years	113.08	+0.89	—	4.81
4	Irredeemables	130.80	+0.78	—	[illegible]
5	All stocks	108.51	+0.74	—	[illegible]

	FIXED INTEREST YIELDS British Govt. Av. Gross Red.		Fri., May 23	Thurs., May 22	Year ago (approx.)	1980 Highs	1980 Lows
1	Low Coupons	5 years	12.17	12.38	9.92	13.32 (4/3)	11.79 (21/1)
2		15 years	12.12	12.24	10.84	13.12 (4/3)	11.79 (21/1)
3		25 years	12.12	12.24	11.29	13.12 (4/3)	11.79 (21/1)
4	Medium Coupons	5 years	13.90	14.08	11.51	15.37 (4/3)	13.85 (6/5)
5		15 years	13.77	13.90	11.97	14.71 (4/3)	13.31 (21/1)
6		25 years	13.66	13.75	12.12	14.50 (4/3)	13.20 (21/1)
7	High Coupons	5 years	13.99	14.17	11.80	15.44 (4/3)	13.99 (23/5)
8		15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
9		25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
10	Irredeemables		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

King & Shaxson Mngrs.
1, Charing Cross, St. Helier, Jersey. (0534) 73741
Valley Hse., St. Peter Port, Gnsy. (0481) 24706
1 Thomas Street, Douglas, I.O.M. (0624) 4856

Schlesinger International Mngt. Ltd.
41, La Motte St., St. Helier, Jersey. 0534 73588

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-90, Gatehouse Rd., Aylesbury 0296 5941

Abbey Amer. Gth. Tst.	46.0	49.5	+0.5	2.02
Abbey Capital	35.7	38.6xd	-0.4	5.96
Abbey General	46.3	49.5	-0.4	6.29
Abbey Gilt & F.I. Tst.	106.7	112.3	+1.0	9.55
Abbey Income	40.6	43.9	-0.3	8.94
Abbey Intl. Bd. Tst.	93.9	99.4	-0.1	5.53
Abbey Inv. Tst. Fnd.	37.8	40.9	-0.1	6.10
Equitas Prog. Trust	68.5	74.0xd	-0.6	6.06

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

AHR Gilt & Pref.	84.4	90.0xd	.....	13.04

Allied Hambro Group (a) (g)
Hambro Hse., Hutton, Brentwood, Essex.
01-588 2851 or Brentwood (0277) 211459

Balanced Funds

Allied 1st	74.8	80.0	-0.6	6.63
Brit. Inds. Fund	67.5	72.2xd	-0.5	7.01
Growth & Income	41.5	44.4	-0.2	5.68
Elect. & Ind. Dev.	36.5	39.1xd	-0.3	6.27
Allied Capital	76.3	81.6	-0.5	5.70
Hambro Fund	116.6	124.8	-0.5	6.47
Hambro Acc. Fund	143.3	153.3	+0.1	5.87

Income Funds

High Yield Fd.	63.8	68.3	-0.6	10.61
High Income	68.2	75.0	-0.5	8.36
A. H. Eq. Inc.	40.2	43.0	-0.4	8.35

International Funds

International	27.7	29.6	+0.1	3.66
Pacific Fund	46.4	49.7	+0.3	2.49
Secs. Of America	56.0	59.9xd	-0.1	2.34

Specialist Funds

Smaller Co.'s Fd.	47.9	51.3	-0.2	4.87
2nd Smlr. Co's Fd.	56.1	60.0	-0.2	4.88
Recovery Sits.	113.3	121.2xd	-0.5	6.89
Met. Min. & C'dty.	55.6	59.5xd	-0.3	4.96
Overseas Earnings	56.9	60.9	-0.5	5.58

Exempt Funds

Far East Exempt	53.8	56.0xd	.....	3.16
Smaller Co. Exempt	73.8	77.5	-0.1	5.16
U.S.A. Exempt	98.3	102.2	+0.1	3.42

Anderson Unit Trust Managers Ltd.
158, Fenchurch St., EC3M 6AA. 623 9231

Anderson U.T.	54.5	58.9	.....	5.41

Ansbacher Unit Mgmt. Co. Ltd.
1, Noble St., EC2V 7JA. 01-623 6376

Inc. Monthly Fund	140.0	150.0	.....	12.00

Arbuthnot Securities Ltd. (a)(c)
37, Queen St., London, EC4R 1BY. 01-236 5281

Capital†	25.2	27.2	.....	—
Commodity***	74.5	80.9xd	.....	3.40
(Accumulation)	114.9	125.2xd	.....	3.40
(10% Withdrawal)	57.9	63.1xd	.....	3.40
Eastern & Internatl.†	28.7	31.2	.....	1.00
(6% Withdrawal)	20.6	22.4	.....	1.00
Extra Income	87.8	95.5xd	+0.5	11.34
(Accumulation)	99.9	108.6xd	+0.8	11.40
Finance & Property*	20.9	22.5	.....	4.78
Foreign††	102.9	111.9	.....	1.49
Gilts	37.0	39.9	.....	3.92
(Accumulation)	46.3	50.0	.....	3.92
Gilt & Fixed*	42.3	44.6	+0.1	12.95
(Accumulation)	43.4	45.7	+0.1	12.95
Growth	35.3	38.1	-0.1	4.02
(Accumulation)	44.7	48.2	.....	4.02
High Income	34.4	37.1	+0.3	9.92
(Accumulation)	53.9	58.2	+0.5	9.92
(8½% Withdrawal)	45.6	49.2	+0.3	9.92
High Yield	40.7	43.9	.....	11.35
(Accumulation)	66.8	72.1	.....	11.35
North American††	28.6	30.8	.....	1.00
Preference	21.5	23.4	.....	14.02
(Accumulation)	39.3	42.8	.....	14.02
Smaller Companies*	28.9	31.5xd	.....	4.72

Dealings: †Tues. *Wed. ††Thurs. ***Friday.

Archway Unit Tst. Mgs. Ltd.♥ (a)(c)
317, High Holborn, WC1V 7NL. 01-831 6233

Discretionary Unit Fund Managers
22 Blomfield St., EC2M 7AL. 01-638 4485

Disc. Inc. May 9	200.8	213.9	.....	5.82

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA. 01-623 8893

Great Winchester	17.0	18.7	.....	7.89
Gt. Winchester O'seas	21.0	23.2	.....	4.75

Emson & Dudley Tst. Mngmt. Ltd.
28b Albemarle St., W1. 01-493 3211

Emson Dudley Tst.	68.1	73.2	.....	6.00

Equity & Law Un. Tr. M.♥ (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	71.9	75.6	-0.6	5.63

Fidelity International Management Ltd.
62-63, Queen St., London, EC4R 1AD. 01-248 4891

American	22.8	24.1	+0.2	1.00
Fixed Interest	24.8	26.2	+0.1	12.92
Growth + Income	29.3	30.9	-0.2	7.72
Special Sits.	29.1	30.7	-0.2	3.10

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204 1321

J. Finlay Internat'l	27.3	29.3	.....	2.50
Accum. Units	33.5	36.0	.....	2.50
J. Finlay High Income	31.4	33.7	.....	10.70
J. Finlay Euro.Fin.	21.2	22.8	.....	4.80
Accum. Units	26.5	28.4	.....	4.80
J. Finlay Fd.In.Tst.	32.9	35.4	.....	5.30
Accum. Units	40.6	43.6	.....	5.30

Prices on May 21. Next dealing May 28.

Framlington Unit Mgt. Ltd. (a)
64, London Wall, EC2M 5NQ. 01-628 5181

American May 19	50.0	53.4	.....	1.24
Am. T'around May 19	49.4	52.8	.....	2.00
Capital Tst.	51.8	55.4	-0.4	5.58
(Accum. Units)	52.6	56.2	-0.4	5.58
Extra Income Trust	46.6	49.8	-0.4	10.62
Income Tst.	35.4	37.8	xd	-0.4
Int. Growth Fd.	42.2	45.0xd	.....	2.51
(Accum. Units)	44.8	47.8	-0.2	2.51

Friends' Provdt. Unit Tr. Mgrs.♥
Pixham End, Dorking. 0306 5055

Friends Prov. Units	48.9	52.2xd	-0.5	5.16
Do. Accum.	68.9	73.6	-0.6	5.16

Funds in Court*
Public Trustee, Kingsway, WC2. 01-405 4300

Capital May 15	117.9	119.9xd	.....	5.56
Gross Inc. May 15	75.8	78.4	.....	11.61
High Yield May 15	86.9	90.9	.....	10.41

*Unauth. Restricted to monies under Court control.

G.T. Unit Managers Ltd.♥
16 Finsbury Circus, EC2M 7DD 01-628 8131

G.T. Cap. Income	114.4	121.6	-1.0	3.50
Do. Acc.	143.8	152.9	-1.3	3.50
G.T. Inc. Fd. Un.	163.9	174.3	-2.0	9.20
G.T. U.S. & Gen.	130.6	138.1	-1.7	2.80
GT Wld. Bd. Fd.	91.7	95.5	-0.5	5.80
G.T. Japan & Gen.	71.2	75.3	+1.4	3.30
♦Gt. Pens.Ex.Fd.	232.2	244.4	+0.8	3.10
G.T. Int'l. Fund	171.3	182.2	+1.5	2.60
G.T. Four Yds. Fd.	46.9	49.8	-0.5	7.90
G.T. Far East & Gen.	52.1	56.0	+0.3	2.70

G. & A. Trust (a) (g)
5 Rayleigh Road, Brentwood. (0277) 227300

G. & A.	35.9	38.3xd	-0.4	5.43

Gartmore Fund Managers♥ (a)(g)
2 St. Mary Axe, EC3A 8BP 01-623 6114
Dealing only: 01-623 5766/5806

American Trust	25.4	27.3	+0.7	1.07
British Tst. (Acc.)	62.6	67.4	-0.6	4.26
Commodity Share	40.4	43.5	+0.3	3.32
Extra Income Tst.	20.9	22.5xd	-0.2	10.76
Far East Trust	33.2	35.7	+0.1	2.41
High Income Tst.	52.6	56.6	-0.4	10.72
Income Fund	72.5	78.0	+0.4	7.50
Ins. Agencies	£14.41	15.31	-0.14	5.53
Intl. Exempt Fd.	95.2	103.9	-0.4	6.24
Intl. Tst. (Acc.)	35.3	38.0	.....	14.90
Special Sits. Tst.	27.7	29.2	-0.3	2.41

Gibbs (Antony) Unit Tst. Mgs. Ltd. (a)
3 Frederick's Pl., Old Jewry, EC2 01-588 4111

Extra Income	26.6	29.0	-0.8	11.00
Income	38.3	41.7xd	-0.5	10.30
Accumulation	73.1	79.5	-0.2	6.00
Growth	44.0	47.8	-0.4	4.50
UK Mkt. Leaders	46.5	50.0xd	-0.8	5.20
Small Co's	38.6	42.0	.....	6.90
Technology	64.4	70.0xd	-2.0	6.20
Private	43.1	46.9	-0.2	5.10
Intl. Erns. & Assets	48.7	52.9	-0.4	4.00
American	24.7	26.9	+0.3	3.20

INSURANCE PROPERTY BONDS

OFFSHORE & OVERSEAS FUNDS

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Public Board and Ind.

60	56½	Agric. Mt. 5pc '59-89	59½	.....	8.68	13.10
79½	73½	Alcan 10½pc '89-94	79½	.....	13.63	14.65
29½	25	Met. Wtr. 3pc 'B'	27½	+¼	11.18	13.20
102	89	U.S.M.C. 9pc 1982	96	.....	9.79	—
91	85½	Do. without Warrants	91	.....	10.40	16.20

LOANS—Continued

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS AND HIRE PURCHASE

BANKS & HP—Continued

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS—Cont.

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هكذا من الأصل

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[illegible]

Central African

[illegible]

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Australian

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
25	21	Acmex 50c	24	+1	—	—	—
24	12	ACM 20c	14½	−½	—	—	—
86	52½	Bond Corp.	74	−1	h02.8c	2.2	1.9
156	88	Bougainville I Kina	102	−1	h025.2c	1.0	14.6
[illegible]							

Tins

[illegible]

Copper

235	130	Messina R0.50	180xd	......	m010c	♦	3.2

Miscellaneous

165	78½	Anglo-Dominion	165	......	—	—	—
97	57	Barymin	57	......	—	—	—
16	12	Burma Mines 10p	14	......	0.62	1.1	6.4
502	320	Cons. Murch. 10c	340	......	MQ30c	1.8	16.8
585	325	Northgate C$1	340	......	—	—	—
485	327	R.T.Z.	347xd	−5	15.0	q3.3	6.2
33	16	Robert Mines	23	......	—	—	—
58	26	Sabina Inds. C$1	33	+1	—	—	—
650	411	Tara Exptn. $1	412	−9	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- * "Tap Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- †† Unlisted security.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♠ Regional price.
- ǁ No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1980-81. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. 2 Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

			IRISH		
Albany Inv. 20p	29	......			
Bertam	21	......	Conv. 9% '80/82	£87¾	......
Bdg'wtr. Est. 50p	415	......	Nat. 9¾% 84/89	£76¼	+⅝
Clover Croft	69	......	Fin. 13% 97/02	£83⅞	+¼
Craig & Rose £1	£10½	......	Alliance Gas	47	+4
Fife Forge	34	......	Arnott	370xd	......
Finlay Pkg. 5p	18	......	Carroll (P.J.)	32	......
Graig Ship. £1	£14	......	Clondalkin	115	−2
[illegible]					

OPTIONS

3-month Call Rates

[illegible]

Glaxo	48	Sears	5½	Ultramar	50
Grand Met.	12	Tesco	7		
G.U.S. 'A'	30	Thorn	25	Mines	
Guardian	23	Trust Houses	14	Charter Cons.	18
G.K.N.	22	Tube Invest.	27	Cons. Gold	52
Hawker Sidd	16	Unilever	40	Lonrho	12
House of Fraser	12	U.D.T.	6	Rio T. Zinc	35

A selection of Options traded is given on the London Stock Exchange Report page

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This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £500 per annum for each security

FINANCIAL TIMES

Saturday May 24 1980

MAN OF THE WEEK

How the West may be won

BY JUREK MARTIN

BARRING the unforeseen, Ronald Reagan this year will not, as in 1968 and 1976, be packing up his bedroll early and riding off into some western sunset, like the losing cowboy he so often portrayed in a forgettable film career. Instead he will be drawing a bead on the White House gunslinger, Jimmy Carter, and, probably, the new knight in shining armour, John Anderson, in the slow draw contest to find out who becomes the next President of the United States.

Ronald Reagan
Appealing to the old virtues

Finally, this week Ronald Reagan allowed that he could smell "victory roses" in the air. Oddly enough, he had just whiffed the stench—in Michigan—of his worst defeat in two dozen primaries, but he was home and dry anyway and his elation understandable. To be the Presidential candidate of the Republican Party, on the third try and at 69 years of age, must have made the long and unique appreticeship as mid-western radio sportscaster, second rank Hollywood film star, corporate huckster and Governor of the biggest state in the Union, California, very worthwhile for gold old "Dutch" Reagan and his faithful second wife, Nancy.

Ronald Reagan, the political candidate, really does embody many of the basic virtues exemplified in the roles he played as a movie cowboy. To his supporters, his strengths are not complex: he is a nice and decent man, slow to anger, imbued with the time-honoured qualities of a more straightforward age, knowing right from wrong, a simple conservative in the best sense of the word, and, because he has changed so little in his views in the past 30 years, demonstrably right long before his time.

His critics also agree that he is a nice man, but they give a different interpretation to his attributes. They think he is lazy, shallow and so hide-bound by an outdated conservatism as to be unable to come to grips with the complexities of modern domestic and international problems. They argue that his campaign speeches, which are, in truth, not much more than an expertly delivered collection of glib one-liners, show him incapable of analytical thought and that the string of reluctantly admitted mistakes and misstatements in recent months denote ignorance of current events.

But this, in its own way, is a tacit admission of the existence of a process which is going to fascinate America in the summer months. It has already been described, even by some of its participants, "as the battle for Reagan's mind." In both domestic economic and foreign policy, it pits the orthodox, establishment conservatives of the Nixon-Ford era against the "crazies," the hard line ideologies, a mixture of old friends and the rising generation of younger, often Californian-based true-blue doctrinaire advocates of supply side economics and enhanced military capability.

Mr Reagan will need, soon, to give some indication of how he is resolving the conflict—above all in his choice of running mate. Will he, for example, opt for ideological purity or the more conventional requirement that the ticket be politically balanced. In a country not enamoured for the selection about to be offered by both major parties, such a decision could assume critical importance.

Clearly, Mr Reagan's chances of ending up in the White House next January—if he does, he will be the oldest ever to move into the Oval Office—are better this year than in his two previous bids. But the nearly six months left to election day in November are a long trail, full of artful bushwackers like Texan Bob Strauss of the Carter Gang, more cunning than anything "Dutch" Reagan has faced so far.

Falling demand cuts rise in house prices

BY MICHAEL CASSELL

THE PRIVATE housing market is less active than at any time in the last two years, with growing numbers of new and second hand homes unsold and asking prices being cut.

There are indicatioos that the supply of mortgages is easing, largely because some demand has been choked off by record interest rates and because of the building societies' insistence on cutting down the earnings-borrowings ratio, lowering the maximum amounts they are prepared to lend.

But much of the steam has also been taken out of the market because, after two years in which average prices rose by about 60 per cent, houses are again comparatively expensive in relation to average earnings.

The rate of price rises, where a market deceleration was recorded in the early part of the year, appears to have slowed still further, with the Incorporated Society of Valuers and Auctioneers yesterday suggesting that prices had risen by just over 2 per cent on average in the last three months. Some owners of higher-prices homes, it added, were seeing values fall.

The society said the books of estate agents were now "relatively full" for the first time in over two years, and price increases were running at under a quarter of the current rate of building cost inflation, presenting the house builders with major problems.

Estimates of private housing starts this year range from 90,000 to about 110,000 against 139,000 last year. Most builders have introduced schemes—often designed to protect buyers from the full impact of the record mortgage rate—to help maintain sales.

Willowvate Homes, a small, private housebuilder with luxury developments in Sussex and Kent, is for example, offering a Mini '1000' to the first person to exchange contracts on one of its properties, ranging in price from £52,000 to £61,500. Other buyers before the end of June will receive colour television sets.

Mr. Roger Humber, director of the House-Builders' Federation, said yesterday that, although many potential buyers had been forced out of the market, demand from those still able to contemplate house purchase remained good.

But he warned that builders faced increasing cash flow problems because of the length of time it was taking to complete sales. Mr. Humber also claimed that, in attempting to stretch resources, the building societies were reducing individual mortgages to a size which made them useless for many borrowers.

Murray calls union talks on Isle of Grain dispute

BY PAULINE CLARK, LABOUR STAFF

MR. LEN MURRAY, general secretary of the TUC, called a meeting yesterday for Wednesday of all union leaders involved in the Isle of Grain laggers' dispute.

It will be the second time in two months that Mr. Murray has intervened personally in the inter-union row over bonus payments for laggers.

The dispute at the £560m oil-fired power station site in Kent threatens to spread to large construction sites all over the country, and has been described as a national scandal by Government leaders.

Mr. Murray's meeting will take place the day after a planned mass picket on the site by members of the General and Municipal Workers' Union.

The GMWU, attacked publicly by other unions for its insistence on open-ended bonus payments for its laggers, hopes that some 6,000 of its thermal insulation engineers from other sites will join the picket.

The aim is to protest against employment on the site recently of newly trained laggers belonging to other unions.

Mr. Frank Earl, GMWU national officer, said last night that he and Mr. David Basnett, the general secretary, had agreed to attend Mr. Murray's meeting with representatives of the Amalgamated Union of Engineering Workers and the Electrical and Plumbing Trades Union.

He said that the bonus payments issue was now secondary in the face of the move by other unions to recruit "blacklegs" to do the jobs of skilled members of the GMWU.

The Central Electricity Generating Board said yesterday that eight more trainees had joined the Babcock Power construction team this week, bringing the total number of non-GMWU laggers on the site to 26.

Unions representing the new laggers include the construction sections of the AUEW, the EPTU and Transport and General Workers' Union, which have agreed to the training scheme to protect the jobs of some 1,400 of their members on the Isle of Grain site.

The CEGB this month withdrew an earlier plan to halt construction work on the site next month. This followed success of the new trainees in taking over the jobs of 27 GMWU laggers who struck for nine months and have since found jobs elsewhere.

Mr. John Baldwin, general secretary of the Construction Section of the AUEW, said on a London Weekend Television inquiry into the dispute last night: "If we are left no alternative, because we can't get the support of our colleagues from tha GMWU to carry out a lagging capability on large sites, then we will have to provide that capability."

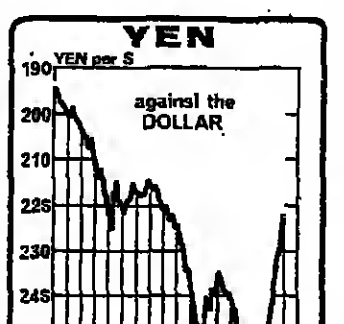
Yen fall boosts company profits

BY DONALD MACLEAN

EXCEPTIONAL PROFIT rises are being reported by Japanese companies in the wake of the sharp downturn in the yen exchange rate in the 1979-80 financial year.

Among a number of major companies to report yesterday Honda, which increased its consolidated net profits for the 12 months to February 1980 by 97 per cent to Y27.76bn (£52.5m).

Toyota Motor Sales, the marketing arm of Toyota, the largest motor group in Japan, showed a gain of just over 50 per cent to Y34.31bn. Toshiba, the country's second largest maker of general electrical machinery, more than doubled its earnings, with a gain of 112 per cent to Y41.04bn.



Yesterday's figures follow sharp gains in the current reporting season including Hitachi's, Japan's largest electric machinery maker, which on Thursday revealed a 41 per cent rise in parent company net profits to Y53.1bn.

Toray Industries, the leading synthetic fibremaker in the country, yesterday released figures showing a near 65 per cent rise in profits, to Y3.81bn, on sales up 19.1 per cent to Y480.9bn.

Profit gains at the major Japanese trading houses have been less steep, with Mitsubishi, the biggest, announcing a rise of 19.8 per cent to Y19.3bn, and Mitsui, the second largest, an increase of 20.8 per cent to Y13.5bn.

Last night the yen closed in London at Y221.25 to the dollar, against Y223.90 on Thursday.

Details, Page 21

Offer of tin mine shares next month

By Paul Cheeseright

SOUTH WEST Consolidated Minerals, which has tin and tungsten mining prospects in Cornwall and Devon, is to offer its shares to the public next month. This is thought to be the first time this century that a UK mineral exploration company has come to the market with a significant offer for sale.

The company is a subsidiary of Dundonian, a Dundee group best known for its funeral interests. Dundonian yesterday asked the Stock Exchange temporarily to suspend its listing until the issue of a South West Consolidated Minerals prospectus next Friday.

The first decisions on mining development should be made in the next year, Mr. Max Lewinsohn, Dundonian's chairman, said. On the best expectations there could be a capital investment of more than £7m in mines, with an annual production approaching 3,000 tonnes of tin concentrates.

This would nearly double British tin production and be the biggest single stimulus to domestic metal mining since the Second World War.

Dundonian shares were suspended at 74p, just under their high point for this year.

Details Page 16

Sanctions deadline

BY ELINOR GOODMAN AND DAVID MARSH

BRITAIN has set a deadline of next Thursday as the latest date for negotiating new contracts with Iran.

The Foreign Office aims to lay orders imposing sanctions by May 29, a week after similar restrictions will have come into effect in other Common Market countries.

It emerged yesterday that Iran has withdrawn about $100m (£42.643m) worth of gold bullion held in the UK. The withdrawal took place in February, apparently an Iranian move to protect itself against the possibility of a further freeze on overseas assets as part of Western action over the U.S. hostages held throughout Iran.

The orders on British sanctions against Iran will take effect at midnight of the day they are laid before the Commons. They will cover new contracts for the sale of goods to Iran.

In line with the United Nations resolution contracts for the supply of medical services and food will not be affected. Nor will any existing contracts be covered—even if they were negotiated after the U.S. hostages were taken in November.

The withdrawal of Iran gold is revealed by Customs and Excise figures showing that Iran imported from Britain in February about 4.3 tonnes of gold.

Continued from Page 1

Prime rate down

The dollar slipped to DM 1.7785 from DM 1.7890 on Thursday and to SwFr 1.6500 from SwFr 1.6635. It also dropped against the yen, which closed at Y221.25 to the dollar compared with Y223.90 overnight—its best level since last September.

Some dealers suggested that several central banks, including the Fed itself, had been actively supporting the dollar. To the surprise of some on Wall Street, the Fed has also stuck with the 13 per cent discount rate it established in February, a decision which is seen as aimed at reassuring the foreign exchange markets.

There is growing concern among foreign exchange traders and bankers in New York at the speed with which the Fed is permitting interest rates to decline when the underlying inflation rate is still generally thought to be running at at least 9 per cent.

There is also anxiety about the growing impact U.S. politics may have on economic policy.

S. Africa police use tear gas on crowds

By Quentin Peel in Johannesburg

POLICE IN South Africa clashed with demonstrating black schoolchildren and workers across the country yesterday, in response to the most concerted upsurge of unrest in the black community since the black township riots of 1976 and 1977.

Teargas was used to disperse crowds in Batho, the black township outside Bloemfontein, after a night of stone-throwing, arson and violence. Altogether 130 children were arrested in the Eastern Cape Province after they marched to a police station to demand the release of detained students.

More than 5,000 textile workers downed tools in Durban to demand more wages, and a crowd of several hundred was broken up with teargas. Workers had erected barricades in their township and stoned cars during the night. Off-licences in the Pinetown industrial area were closed as a precaution.

Mounting unrest among students and workers marks a significant departure from the pattern of previous incidents. The industrial action suggests a growing degree of politicisation of the South African black workforce, pressing not only for higher wages but also for union recognition, or even striking in sympathy with allegedly victimised colleagues.

Whether the unrest will blow up into a renewed outbreak of rioting on the scale of 1976, is unpredictable, and depends largely on the Government's response, which has so far been relatively cautious. Nevertheless, there are signs that Government patience is running out and that police action will get tougher.

Several community leaders warned of a repetition of the 1976 Soweto riots. "It can take very little to get the whole thing going up again in flames," Bishop Desmond Tutu, secretary of the South African Council of Churches, said yesterday. "I am worried that it is building up."

The worst centre of violence in the latest unrest has been Bloemfontein, where the British Lions rugby side is due to play a team from the Orange Free State today.

● Eight-one nationalist guerrilas and five members of the South African defence force have been kiled in a major battle on the Angola-Namibia (South West Africa) border, a South African military comunique announced.

Weather

UK TODAY

SUNNY spells; cloudy with drizzle in the N.E.

London, Channel Isles, S. and E. England, Midlands, S. Wales

Dry, sunny intervals. Max. 15-17C (59-63F).

N. Wales, N.W. England, S.W. and N.W. Scotland, Cent. Highlands, Argyll, N. Ireland

Cloudy, bright intervals. Max. 13-15C (55-59F).

N. and N.E. England, Borders, Edinburgh, Dundee

Sunny intervals. Max. 14-16C (57-61F).

Rest of Scotland, Orkney, Shetland

Fog patches and drizzle. Max. 11-13C (52-55F).

Outlook: Rain in E., sunny intervals in W.

WORLDWIDE

	Y'day midday	°C	°F		Y'day midday	°C	°F
Ajaccio	C	15	59	Lisbon	S	24	75
Algiers	F	21	70	Locarno	C	18	64
Amsdm.	C	13	55	London	C	12	54
Bahrein	S	40	104	Luxmbg.	S	15	59
Barclna.	S	19	66	Luxor	S	39	102
Beirut	S	22	72	Madrid	S	19	66
Belfast	C	13	55	Majorca	S	21	70
Belgrd.	C	14	57	Malaga	S	21	70
Berlin	S	14	57	Malta	F	22	72
Biarritz	C	14	57	M'chstr.	C	14	57
Bmghm.	C	11	52	Melbne.	S	12	54
Blackpl.	F	13	55	Milan	C	16	61
Bordx.	F	16	61	Mntreal.	S	25	77
Boulgn.	C	11	52	Moscow	C	9	48
Bristol	C	12	54	Munich	S	14	57
Brussels	S	14	57	Nairobi	S	21	70
Budpst.	S	15	59	Naples	R	13	55
Cairo	S	30	86	Nwcstl.	F	12	54
Cardiff	C	13	55	N. York	S	28	82
Cas'b'ca	S	19	66	Nice	C	16	61
Cape T.	R	16	61	Nicosia	S	21	70
Chicago	C	22	72	Oporto	S	23	73
Cologne	S	15	59	Oslo	S	19	66
Cpnhgn.	C	10	50	Paris	S	17	63
Dublin	C	13	55	Perth	C	18	64
Dbrvnk.	C	18	64	Prague	S	14	57
Ednbgh.	C	16	61	Reykjvk	C	12	54
Faro	C	20	68	Rio J'o	R	20	68
Florence	R	15	55	Rome	Th	14	57
Frankfrt.	S	16	61	Salzbrg.	C	15	59
Funchal	C	17	63	Singapr.	S	31	88
Geneva	S	18	64	Stckhm.	S	18	64
Gibrltr.	S	20	68	Sydney	S	18	64
Glasgow	S	17	63	Tangier	F	22	72
G'rnsey	F	12	54	Tel Aviv	S	21	70
Helsinki	R	4	39	Tenerife	F	18	64
H. Kong	R	26	80	Tokyo	C	25	77
Innsbrk.	S	20	68	Toronto	S	29	84
Invrnss.	C	13	55	Tunis	F	23	73
I.o.Man	S	13	55	Valencia	C	23	73
Istanbul	S	20	68	Venice	C	14	57
Jersey	F	12	54	Vienna	F	14	57
Jo'burg	S	18	64	Warsaw	F	11	52
L. Pims.	F	22	72	Zurich	S	16	61

C—Cloudy F—Fair. R—Rain. S—Sunny. Th—Thunderstorms

THE LEX COLUMN

Magnetic appeal of the pound

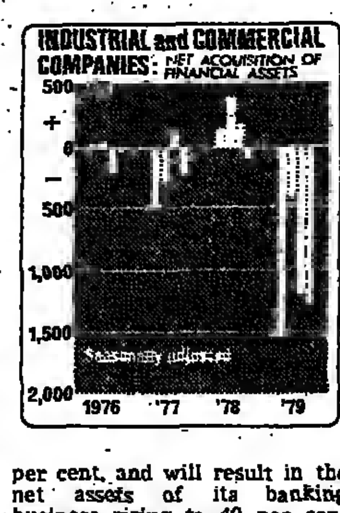
Index fell 3.2 to 423.3

Economic activity may be slowing down, but in the financial markets the pace is speeding up. Sterling has closed the week at a new five-year peak (74.3 on its trade-weighted index) and international bond investors have been substantial buyers of gilt-edged. Indeed, they have been able to call the tune in the gilt-edged market: even nervous domestic institutions have started buying again on the view that it is pointless to swim against the tide.

Every fall in dollar interest rates—and they have been falling almost daily—enhances the attraction of the sterling markets. Short-term money market rates in London cannot fall until the British authorities allow, since the very large day-to-day shortages that developed during the winter in the money market, and are only now beginning to be worked out, make the banking system reliant on funds borrowed at Minimum Lending Rate.

The authorities in London are clearly not being swayed by fears of a damaging recession in the same way as the Federal Reserve has been. Although the collapse in dollar interest rates is to a large extent the result of a steep fall in credit demand, in response to the short period of high real interest rates and quantitative controls, the April U.S. money supply figures show that the Fed was supplying reserves heavily to the banking system and encouraging lower interest rates.

Both the higher level of sterling and the maintenance of high interest rates from which it results must be biting company profits badly, and making a mess of corporate budgets which relied on more favourable assumptions. Add to this the sudden weakening of demand as the whole of industry tries to de-stock simultaneously, and it is no wonder that company chairmen have been finding gloomy things to say.



Charterhouse bid

Charterhouse Group's bid for Keyser Ullmann can be seen as an attempt to exploit its strong share price to change the balance of its business. Charterhouse's shares have been riding high in recent months on the strength of its North Sea assets—notably a stake in the Thistle Field—which are in its balance sheet at £18½m and are said to have a present value of around £40m. Now its shares are being used to buy Keyser in a transaction which will increase its share capital by 52 per cent, and will result in the net assets of its banking business rising to 40 per cent of group capital employed compared with just 15 per cent at present.

The logic for the bid is straightforward. Keyser, like a number of other long established City institutions, has lost its role in life. Its balance sheet has recovered from the battering which it took during the secondary banking crisis, but as its chairman admitted yesterday, it has never been able to shake off the bad publicity which it attracted during that period. It has just not been able to attract new business in the volume which its assets could support.

As a result, Charterhouse is not having to pay anything for goodwill. Its all-share offer is worth £43m: Keyser has fully disclosed net assets of £44m, plus unused tax losses of over £60m which must be worth something to a bidder even though they will probably be quite difficult to exploit. Keyser still has a lot of property loans outstanding, but in recent years it has consistently been writing back some of its past provisions, which suggests that its figures are pretty conservatively stated.

By acquiring these under-exploited assets, Charterhouse will transform its banking side into one of the top ten accepting houses, with shareholders' funds of around £60m. The combined balance sheet total of the banking business is nearly £500m, and Charterhouse says that this figure could be lifted towards £1bn without any need for fresh equity.

But the big question is whether Charterhouse is actually capable of generating all this new business at satisfactory margins. There are, after all, plenty of other merchant banks who would dearly love to increase their volume of business, and Charterhouse does not start off with the advantage of a long list of active corporate clients. Maybe the group plans to build up its strength in the fashionable area of demergers, management buy-outs and corporate nursery work in which it already has a good deal of experience. But if it hopes to take on the big boys in the traditional banking business, this acquisition could turn out to be a big mistake. The cake is not big enough.

Venture capital

The companies that lined up at the Bank of England's rights issue bus stop in February seem to have changed their minds by the time they reached the head of the queue. Total issues exceeding £1bn were widely predicted for 1980, yet so far the stock market has committed only £132m in rights issues and flotations.

Although many companies are now examining internal forecasts that imply an uncomfortable rise in debt, only three companies have braved a hostile reception to make medium sized issues totalling £58.3m. United Biscuits, Linfood and Rugby Portland. But the climate seems to have been highly favourable for speculative ventures, particularly in the independent oil sector. So far £29.5m—or 40 per cent of the rest of the capital committed—has been taken by small oil companies.

The independents seem to be getting more confident. Earlier in the year issues tended to be in the £3m-range, but on Thursday Saxon Oil raised the stakes to £15m, while the capital raising operation for Charterhouse Petroleum Development will be larger still. And this is just the start. In the next few weeks we will probably see three or four more oil flotations. The speculative excitement seems to be spilling out of the sector. Dr. Jerry C. Nims succeeded in raising his further £7.1m to market a 3-D camera, while Dundonian plans to float off a mining subsidiary engaged in exploration in Cornwall.

Quite apart from the impact of the seventh oil licensing round on the demand for capital, investors now appears to be more tempted by high-risk projects than they are keen to support traditional ventures. The City seems to offer fertile pastures for plausible entrepreneurs.

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